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# **Influence of National Culture on Employee Commitment Forms: A Case Study of Saudi- Western IJVs vs. Saudi Domestic Companies**

**by**

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## **DECLARATION**

I hereby declare all the work presented in this dissertation report is my own unless otherwise stated in the text. To the best of my knowledge, none of the work has been submitted as part of any other award and all sources of quoted information have been acknowledged by means of reference.

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## **ABSTRACT**

Saudi Arabia is experiencing a transformative period in its economic history, as its market has been opened up for foreign investment. The last 5 years have seen a dramatic increase in the amount of foreign investment into Saudi Arabia particularly through International Joint Ventures. The managers in these IJVs come from various cultures that can be categorised as collectivist or individualist societies. This study to investigate the relationship between national culture and employee commitment within Western-Saudi IJV environments in contrast to the commitment forms found within domestic (monoculture) organisations. In this study, Western and Saudi managers were compared as to their levels of organisational commitment and professional commitment, while a second survey focused on individualism/collectivism among respondents. This study found that Western managers working in Saudi IJVs had significantly higher levels of professional commitment than did their Saudi counterparts. Similarly, Saudi managers working in Saudi IJVs had significantly higher levels of organisational commitment than did their Western counterparts. This study also found that Saudi managers working in Saudi IJVs experienced higher levels of professional commitment than did their Saudi counterparts working in purely Saudi firms, and that Western managers who had previously worked in collectivist cultures had higher levels of organisational commitment than did Western managers who had not previously worked in collectivist cultures. In addition, significant differences were found between respondent groups with regard to individualism/collectivism. The results support a correlation between individualism and professional commitment, as well as between collectivism and organisational commitment. The results found that an employee's cultural orientation can be modified through exposure to employees from other cultures. The knowledge contributed from the study findings will enrich the existing scholarly theories of employee commitment and individualism/collectivism values within IJVs setting in Saudi Arabia. Also, this knowledge will contribute to facilitate foreign investors and HRM practitioners in developing strategies to maximise the benefits from different forms of employee commitment.



## **LIST OF ABBREVIATIONS**

IJV	International Joint Venture
HRM	Human Resource Management
WTO	World Trade Organisation
IDV	Individualism
STC	Saudi Telecommunications Company
FI	Foreign Investment
SABIC	Saudi Basic Industries Corporation
SADAF	Saudi Arabia petrochemical
SAMREF	Saudi Aramco Mobil Refinery
YANPET	Saudi Yanbu Petrochemical Company
ARA	Arabic-speaking region
OCQ	Organisational Commitment Questionnaire
ACS	Affective Commitment Scale
NCS	Normative Commitment Scale
CCS	Continuance Commitment Scale
IBM	International Business Machines Corporation
SEC	Saudi Electricity Company
KEMYA	AL-Jubail Petrochemical Company
PC	Professional Commitment
NOC	Normative Organisation Commitment
AOC	Affective Organisation Commitment
COC	Continuous Organisation Commitment
OC	Organisation Commitment
ANOVA	Analysis-of-Variance

## **1. Introduction**

With globalisation taking business across cultures, the creation and management of cross cultural business operations has accelerated steeply over the past decades (Wagner, 2007; Yan & Zeng, 1999). Along with the increase in cross cultural business operations comes the need for the effective management of employees from different cultural backgrounds.

What has been true globally is true for Saudi Arabia as well. The process of globalisation has affected the Saudi Arabian business sector and the structure of individual companies themselves. Organisations which were formerly state-owned or family owned are increasingly becoming international operations such as International Joint Ventures (IJVs) or other forms of multinational companies (Lyles & Salk, 2006). Moreover, Saudi Arabia's entry into the World Trade Organisation (WTO) in 2005 (P.K & Khalil, 2005) has opened the Saudi business environment to increased global competition. As a result of these changes, Saudi Arabian organisations are also experiencing changes in their organisational culture (Bell, 2005).

One effect of these changes is that personnel from diverse national cultures now work together in one (Saudi) organisational setting. National culture has been found to significantly impact many areas of the organisation (Hofstede, 2001) and has been found to influence the level of employee work commitment as well (Mayer & Allen, 1997). As the success of any organisation depends on the commitment of the staff, understanding and managing employee work commitment within cross cultural settings has become a priority among both scholars and practitioners of cross cultural management.

Employee work commitment has been identified as an important aspect of effective organisations and has attracted the attention of management literature for many years (Swales, 2000). Many connections have been identified between the level of employee commitment and organisational performance, the ability to innovate, and the successful implementation of organisational change (Coopey & Hartley, 1991). Although the concept of employee commitment has been explored from many different angles, few researchers have studied the connection between national culture and employee commitment. While a number of studies have explored commitment in cross cultural settings (Abdalla and Al-Homoud, 2001; Aron, 2006; Black, 1999; Burnett et al., 2009; Cohen, 2006; Meyer & Allen, 1984; Siders et al., 2001; Triandis, 2004; Wang et al., 2002), fewer have explored the connection between national culture and employee commitment in a Middle Eastern context (Cohen, 2006). No known studies, in relation to employee commitment linked with national culture within IJV settings have been identified in relation to Saudi culture. This study will focus on investigating the relationship between national culture and employee commitment within an IJV environment where two cultures co-exist, and contrasting this relationship with that found in a domestic (monocultural) company. The study will focus on the influence of national culture on two specific areas of employee commitment, namely professional commitment and organisational commitment.

### **1.1 Motivation for the Study**

Until recently, our understanding of management thought and practice came principally from Western countries, in particular, the United States of America (Adler, 1997; Andrews, 1971; Ansoff, 1965; Sandberg and Hofer, 1987; Penrose, 1959; Pettigrew et al., 2006; Stinchcombe, 1965). However, researchers have realised

that they have misjudged the level to which culture influences management theory and practice. As culture is found to profoundly influence management (Abbas & Al-Kazeemi (2005); Adler, 1997; Al-Khazeemi and Abbas, 2002; Boyacigiller & Adler, 1991; Hofstede, 2007), theories developed within one culture should not then be implemented in another without question. Consequently, the first motivator of this study is to understand how culture shapes management attitudes in both cross-cultural and domestic Saudi companies. Secondly, the body of knowledge regarding how culture affects the management of Saudis is limited (Al-Twajiri, 1992; Anastos, Bedos, and Seaman, 1980; Badawy, 1980; Budhwar and Debrah, 2001; Yavas and Yasin, 1999). Thus, the study will also contribute to this body of knowledge.

Third, the particular focus of the project, how the cultural dimension of individualism and collectivism influences both the level of organisational commitment as well as the level of professional commitment, has been seldom studied in the extant literature. The individualism and collectivism dimensions will be focused upon within this study due to the lack of previous research in this area as well as due to the researcher's specific theoretical interest in the influence of individualism/collectivism on commitment. By using individualism and collectivism as dimensions of culture, researchers are able to understand the way culture relates to social psychological values of personnel. These two dimensions of culture are the two most important dimensions for differentiating nations (Hui, Triandis, & Yee, 1991; Triandis, 1990; Triandis & Suh, 2002). The effect of types of individualism and collectivism on other attitudes and behaviour such as commitment will provide new contributions to work-related values within cross-cultural business dealings and provide a better understating of cultural issues relating to employees of multinational companies. Furthermore, the specific area of study focused upon here is lacking in the

current literature. Performing an analysis focusing upon differences in individualism and collectivism based upon nationality and the workplace will serve to expand this literature as well as provide important results relating to cultural differences between individuals based upon birthplace as well as place of work. It is hoped that this study will contribute to a better understanding of how individualism and collectivism influences organisational and professional commitment and how different types of commitment may be associated with different types of cultures. By examining this question it is believed that a significant contribution to the body of knowledge will be made.

It is also hoped that a better understanding will be gained of how work environments influence the employee's cultural values. This study hopes to understand what cultural impact, if any, is caused when an employee works in a multicultural work environment rather than one from his or her culture and what is the possible effect of the interaction between two cultures on individual behaviour.

Finally, it is hoped that this study will contribute to a better understanding of what shapes organisational and professional commitment. The majority of the research conducted into these two types of commitment has focused on their effects rather than on the antecedents or determinants of employee commitments (Beck & Wilson, 2000; Cohen, 2003; Mathieu & Zajac, 1990; Meyer & Herscovitch, 2001).

Additionally, most studies of organisational and professional commitment have been at the individual and sometimes organisational level but rarely at the cultural level (Sheldon, 1971; Somech and Bogler, 2002; Somech and Bogler, 2004; Wallace, 1993; Wallace, 1995). As a result, cultural level variables that are antecedents of employee commitment have not been fully investigated, which this

study aims to discover in the context of Saudi Arabia and its cross cultural ventures such as Western – Saudi IJVs.

Thus, the notion that national culture influences the level and type of employee commitment warrants deeper exploration. Establishing the true nature of this relationship through empirical studies is a significant motivator for this study.

## **1.2 Definition of the Problem**

Until recently, the Saudi economy has had a closed nature. The fundamental introversion of the government and the Saudi culture itself has prevented foreign organisations from entering the Saudi market, resulting in a workforce that is unaccustomed to understanding cultural differences and their influence on organisational operations. Both the novelty of multicultural work organisations as well as the lack of conditioning for working and managing in multicultural organisations has contributed to a lack of knowledge about how differences in national culture can affect work performance.

The specific challenge posed by the current situation is also that the majority of foreign companies establishing IJVs in the Saudi market are Western, making IJVs a place where two very different cultures are intermingling.

The Saudi and Western cultures are different in many ways, but one of the most significant cultural differences is that the Saudi culture is highly collectivist in nature, while the Western world is highly individualistic (Hofstede, 2001).

This difference poses a fundamental difference in orientation, in that collectivist cultures put the needs of the group ahead of the needs of the individual, while individualist cultures place the needs of the individual before the needs of the group. The cultural dimension of individualism vs. collectivism can be seen to be the

cultural dimension that affects employee work commitment most directly. In collectivist cultures, *“individuals expect to be looked after by members of their in-group, which may be an organisation, in return for their loyalty to the in-group”* (Black, 1999), and such behaviour may promote organisational commitment in individuals. Furthermore, in collectivist cultures, the relationship between the individual and the organisation is based on normative values of moral obligations, as compared with the more calculative thinking (profit-oriented thinking and thought related to how best achieve your objective) surrounding the employee’s relationship with the organisation in an individualistic culture (Haynes, 2002).

Another aspect of multicultural organisations is how they affect the inherent cultural orientations of the employees. As culture is dynamic rather than static, so too the individual *“programming of the mind”* (Hofstede, 1984, p.5) may change and adapt when exposed to an environment where different things are valued and different attitudes and behaviours are reinforced. A larger question, then, is how IJVs will influence Saudi culture employees’ work values and commitments? Will Saudi managers who work in IJVs (multicultural organisations) have lower levels of organisational commitment (associated with higher levels of collectivism) than their counterparts working in domestic (monocultural) companies? And will these same managers have higher levels of professional commitment (associated with higher levels of individualism) than Saudi managers working in domestic companies?

The challenges and opportunities that the IJV work environment poses in Saudi Arabia should be associated with academic studies aimed at making sense of them as well as contributing to the body of knowledge. Therefore, based on the above outlined rationale, this study will focus on the cultural dimension of individualism vs. collectivism and its implications for the level of professional and

organisational employee commitment. In addition, it will seek to examine the influence of the work environment (multi-cultural or monoculture) on the levels of organisational and professional commitment.

### **1.3 Research Questions and Objectives**

The questions this study seeks to answer are:

*RQ1: “How does the level of individualism-collectivism influence Western and Saudi managers’ levels of organisational and professional commitment within Western-Saudi IJV companies compared to Saudi companies?”*

And

*RQ2: “How does exposure to employees from other cultural orientations alter and change the level of organisational and professional commitment, and the level of individualism and collectivism values?”*

**The study will be conducted with the following key research objectives:**

- To define and understand international organisations in general and in Saudi Arabia in particular.
- To define and understand national culture in general and the cultural dimension of individualism-collectivism in particular.
- To define and understand organisational commitment, professional commitment, and their dimensions.



- To analyse the theoretical and empirical relationship between the cultural dimension of individualism and the levels of organisational and professional commitments.
- To compare the levels of organisational and professional commitment between Saudi managers who work in multi-cultural organisations (IJVs) and Saudi managers who work in domestic (mono-cultural) organisations.
- To explore the level of collectivism and individualism national culture dimensions between Saudi managers, Westerns managers who work in multi-cultural organisations (IJVs) and Saudi managers who work in domestic (mono-cultural) organisations.
- To compare the level of individualism and collectivism between Western managers working in Saudi IJVs who have had previous work experience in collectivist cultures and Western managers working in Saudi IJVs who have not had previous work experience in collectivist cultures.
- To compare the levels of organisational and professional commitment between Western managers and Saudi managers who work in multi-cultural organisations (IJVs) in Saudi Arabia.
- To compare the level of organisational commitment between Western managers working in Saudi IJVs who have had previous work experience in collectivist cultures and Western managers working in Saudi IJVs who have not had previous work experience in collectivist cultures.
- To contrast the level of professional commitment between Saudi managers who have had previous work experience in individualist cultures and Saudi managers who have not had previous work experience in individualist cultures.
- Based on the research results, make recommendations for further research.

## **1.4 Thesis Structure and Conclusion**

Chapter 1 presented the background and motivation for the study, the research problem, as well as the research questions and objectives. This study will focus on examining how the level of individualism-collectivism influences Western and Saudi managers' levels of organisational and professional commitment within Western-Saudi IJV companies compared with Saudi companies. It will also examine whether exposure to employees from other cultural orientations can alter and change the level of organisational and professional commitment. Chapter 2 will discuss international organisations in general, with a specific focus on collaborative forms of international organisations. It will then focus on examining the business climate in Saudi Arabia. Chapter 3 will focus on the notion of culture followed by an examination of the cultural dimension of individualism-collectivism in particular, and also a description of the two foundations of Saudi culture, the Bedouin tradition and the Islamic religion. Chapter 4 will focus upon Employee Commitment, with a specific focus on organisational and professional commitments. Chapter 5 will discuss the research methodology utilised with reference to research methods, sampling strategies, data collection instruments, analysis methods and limitations. Chapter 6 presents the results and chapter 7 will conclude the thesis with a discussion of the findings.

Overall, the study will examine the connection between higher levels of collectivism and organisational commitment as well as higher levels of individualism and professional commitment. This study will also examine how working in an IJV impacts the cultural orientation of Saudi managers. It also seeks to examine whether levels of organisational and professional commitment could be modified through working in a multi-cultural work environment.

## **2. International Organisations**

### **2.1 Introduction**

The increase in globalization and direct foreign investment witnessed in recent decades has given rise to an ever-increasing number of multinational organisations involved in international business. Just as this trend has influenced many parts of the world, it has also influenced the kingdom of Saudi Arabia. Foreign investment, primarily in the form of international joint ventures, has significantly increased in Saudi Arabia during the 2003-2008 period (from \$778 million in 2003 to \$38.3 billion in 2008) (Hanware, 2010).

This study will examine how cultural differences influence levels of employee commitment by contrasting the organisational and professional commitment levels of Saudi managers working in Saudi firms, Saudi managers working in international joint ventures in Saudi Arabia, and Western managers working in international joint ventures in Saudi Arabia. All of this is done from the perspective of culture, as will be presented in more detail in Chapter 3.

Before turning our attention to the concepts of culture and of employee commitment, this chapter will set the stage by describing the world of international business. A theoretical perspective will be taken first, with a description of the most significant theories connected to multinational companies and the drive for foreign investment. Next, different collaborative models will be presented, and the potential advantages and disadvantages of collaboration will be discussed. The focus will then shift to the international joint venture in particular, as this represents the combination of international business and organisational collaboration most prevalent in Saudi

Arabia. However, at this point, the international joint venture will be presented in general.

The focus will then shift to Saudi Arabia. The business climate will be briefly described, with an emphasis on the attractiveness of Saudi Arabia for foreign investment as well as the business climate for international business within Saudi Arabia. International joint ventures in Saudi Arabia will then be discussed, followed by a review of empirical studies which have examined international joint ventures in Saudi Arabia.

## **2.2 A Theoretical Perspective on International Organisations**

The study of the existence, growth, and business activities of firms operating across national boundaries has been examined from primarily three different perspectives: economic, strategic management, and cultural (Cantwell, 2009; Rugman & Verbeke, 2008; Collins & Porras, 2002; Dunning & Lundan, 2008). Although the cultural aspect of international organisations will be emphasized in this study, all three approaches will be presented, as together they provide context and background to understand the operation of international joint venture firms within Saudi Arabia.

### **2.2.1 An Economic Perspective to Understanding International Organisations**

According to Cantwell (2009), the main two economic perspectives to examining international business are: the microeconomic and the macroeconomic perspectives.

### ***2.2.1.1 Microeconomic Approach***

Internalization theory is a microeconomic approach to international business and it is one of the most significant theories to emerge in the study of multinational enterprises (Rugman & Verbeke, 2008). This theory suggests that foreign production and sales of a multinational business take place in response to imperfections in the goods and services markets.

Caves (2007) suggests that the establishment of a subsidiary by a multinational enterprise amounts to the entry into one national market based on needs created by another market (Birkinshaw, 1997; Delany, 2000; Hulbert et al., 1980). One type of entry is horizontal expansion whereby a subsidiary produces the same product (or product line) as the parent company. Another is vertical expansion or integration across national borders, either backwards in order to obtain raw materials or other intermediate products needed by its main operations, or forwards to provide a distribution channel for its exports. Consequently, there are three types of organisations potentially relevant to multinational enterprises.

The first is a horizontally integrated firm, meaning a firm which produces essentially the same product line for each of the geographic markets where it has a presence. The second is a vertically integrated firm, meaning a firm that produces outputs in some of its plants which serve as inputs to other plants. The third is a diversified company, whose plant outputs are neither horizontally nor vertically related to one another (Caves, 2007).

### ***2.2.1.2. Macroeconomic Approach***

Vernon's product cycle model (1966) is an important macroeconomic approach to understanding international business. This theory describes the product cycle as consisting of three primary phases: innovation, growth, and maturation.

During the last, maturation stage of the product, the product becomes standardized and production is technologically stable. In order to maximize profitability, production is then best carried out by unskilled or semi-skilled workers. Through foreign investment, the production location then moves to low-wage.

### **2.2.2 Strategic Management Perspectives to Understanding International Organisations**

In contrast to the economic approach to understanding international business operations, the strategic management approach emphasizes the role that strategic decision-making and strategic planning play in decisions to expand across borders. This approach involves analyzing the structural attractiveness and competitive intensity of an industry, as well as the company's overall competitive position in relation to the market. Such analysis forms the basis for management to reach a strategic decision regarding the best course of action to be taken in light of a company's long-term goals for competitive advantage and profitability. Both domestic and possible international locations must be analyzed and compared, and underlying risks, uncertainties, and constraints must be examined. Management must also consider the best type of business arrangement to carry out (eg. joint venture, production facility, and licensing).

Porter (1985) emphasized that a company which competes internationally must decide how to strategically position itself vis-à-vis the value chain which represents the steps through which a company delivers its product to its customers. He argues that in order to maximize competitive advantage, downstream value-adding functions and downstream activities must be present in every country in which the company operates.

Yip (1994) proposed four different approaches to international business based on the value chain. If companies reproduce all or most of their value chains in every country in which they operate, they can be said to be following the multi-local activity strategy. If they keep most of the value chain in one country, they can be said to be following an exporting strategy. If they break up the value chain, and conduct each activity in a different country, they can be said to be following a global activity strategy. Finally, if they systematically and strategically place the activities of the value chain around the globe in order to maximize cost reduction, they can be said to be following a global position strategy.

Another strategic approach to international business focuses not on the efficiency of the value chain but rather on responsiveness to local markets. Companies which take this approach focus on adapting to the pressures of the local market, whether that be customer demand, the availability of substitutes, host government demands, or strong competitors within the market. Successful companies focus on building their core strengths by eliminating losing businesses, improving production and technology efficiencies, and by spreading out investment risks. These companies must balance competing pressures to stay with what they do best and to consider market demands for diversification (Collins & Porras, 2002).

Companies that choose a strategic approach to international business are usually motivated by such factors as the need to establish competitive advantages, a strategic management approach, host-country conditions and prospects, and resource requirements. Once the decision is made to expand across national borders, the “*how*” question must also be answered. Many possible options exist, including the creation of international marketing offices, trading through agents, direct import and export, mergers and acquisitions, international production, licensing, or the creation of joint ventures. In summary, strategic management theorists would argue that the need to expand an organisation’s operations beyond national borders should be dependent on strategic issues rather than be within the scope of international production or value chain activity as proposed by economic theorists.

### **2.2.3 Cultural Perspectives to Understanding International Organisations**

A number of theorists have recognised the importance of examining international business from a cultural perspective (Ajiferuke & Boddewyn, 1970; Hofstede’s, 1980; Tayeb, 2005; Traindas, 2004). Dunning and Lundan (2008) point out that the proper identification and understanding of cultural differences allows international firms to successfully reconcile these differences and manipulate such differences to the advantage of the organisation.

A concept often emphasized by cultural theorists is the notion of social capital, which refers to such elements as trust, social networks, and social norms which facilitate coordination and cooperation within the organisation (Putnam, 1995). Paldam and Svendsen (2000) have built upon this concept by emphasizing the importance of trust as a precondition for social capital. They define social capital as



the density of trust existing within a group that emanates from its ability to cooperate for mutual benefit. Hjollund et al., (2001) further argue that trust is necessary for social capital as people who trust one another are better able to work together and to form networks.

Three major reasons which create grounds for people to cooperate with one another are proposed by Paldam and Svendsen (2000). First, individuals may cooperate with one another voluntarily, due to the shared trust of everyone else involved who is expected to do his or her part. It may also be because of a sense of duty, often influenced by moral or religious values. Second, individuals may cooperate with one another due to pressures within the group. Third, individuals may cooperate with one another due to pressures from a third-party outside of the group. Paldam (2000) includes the first two reasons for cooperation in his definition of social capital, but excludes the third as it is in this scenario that cooperation is forced, and not based on trust.

As social capital has been recognized as a valuable component of organisational success, the degree to which cultural differences influence it is of importance for multinational organisations. Individuals do tend to trust others who are like themselves, and to distrust others who are dissimilar to themselves, at least before they have the chance to get to know one another. As culture influences an individual's perceptions, values, and behaviours, the impact of cultural differences on the social capital of international organisations can be significant. Thus, organisations must work to facilitate cultural understanding between individuals from different cultures who work together (Ricks, 2006).

## 2.3 International Business Collaborations

Dodgson (2000) defines a collaborative partnership as “*a relationship involving the sharing of power, work, support and/or information with others for the achievement of joint goals and/or mutual benefit.*” At least 13 different types of international business collaborations have been identified (Todeva & Knoke, 2005):

a. Hierarchical relations:

An acquisition or merger, where one firm takes full control of another's assets and coordinates actions by the ownership right mechanism.

b. Joint ventures:

Two or more firms create a jointly owned legal organisation that serves a limited purpose for its parents, such as research and development or marketing.

c. Equity investments:

A majority or minority equity holding by one firm through a direct stock purchase of shares in another firm.

d. Cooperatives:

Coalitions of small enterprises that combine, coordinate, and manage their collective resources.

e. Research and development consortia:

Inter-firm agreements for research and development collaboration, typically formed in fast-changing technological fields.

f. Strategic cooperative agreements:

Contractual business networks based on joint multi-party strategic control, with the partners collaborating over key strategic decisions and sharing responsibilities for performance outcomes.

g. Cartels:

Large corporations which plan to constrain competition by cooperatively controlling production and/or prices within a specific industry.

h. Franchising:

A franchiser grants a franchisee the use of a brand-name identity within a geographic area, but retains control over pricing, marketing, and standardized service norms.

i. Licensing:

One company grants another the right to use patented technologies or production processes in return for royalties and fees.

j. Subcontractor networks:

Inter-linked forms where a subcontractor negotiates its suppliers' long-term prices, production runs, and delivery schedules.

k. Industry standard groups:

Committees that seek the member organisations' agreement on the adoption of technical standards for manufacturing and trade.

l. Action sets:

Short-lived organisational coalitions whose members coordinate their lobbying efforts to influence public policy making.

m. Market relations:

Arm's-length transactions between organisations coordinated only through the price mechanism.

The scope of the current study will be an examination of the joint venture form of collaboration. This form of collaboration was selected as it represents a partnership between two different international companies who join together under one set of operational objectives; thus, it is well-suited for an examination of the interaction environment of two different cultures to work under one umbrella.

### **2.3.1. Selecting the Best Type of International Collaboration**

Once companies have made the decision to expand across national borders, they must carefully consider what type of international collaboration relationship best suits their needs. Theoretical perspectives on international business described above have emphasized the economic, strategic, and cultural dynamics of international expansion. Collaboration between different businesses allows them to compensate for gaps in their knowledge and ability to successfully deliver value to the market (Kausar & Shaw, 2004). In general, it can be said that organisations decide to expand across national borders for one or more of the following advantages:

- the acquisition of new markets
- the ability to control distribution channels in other countries
- access to new technologies
- obtaining economies of scale
- cost sharing through the pooling of resources
- improved competitive advantage

- co-specialization
- achieving vertical integration through recreating or extending supply links
- diversification into new businesses
- improving performance through restructuring
- risk diversification and reduction
- pre-empting the competition
- overcoming legal/regulatory barriers
- developing products, technologies, resources
- developing technical standards
- complementary of products and services on markets

### **2.3.2. Disadvantages of International Collaboration**

Although the advantages of international business collaboration are many, there are potential disadvantages as well. When a partnership is struck between two different business entities, it is always possible for valuable information or technological advantage to be lost to the other business entity. If one firm is a junior partner in a partnership, it may have to deal with the frustration of not having as much influence as it would like in business decisions, where more influence is wielded by the senior partner. It is also possible that both partners have different goals, objectives, and conceptions about how the business should be run; this can cause conflict between the partners as each vies for power and the advance of his own position (Hill, 2003).

In practice, multinational firms assess their competitive advantages vis-à-vis those of other firms, and in the light of the constraints or disadvantages involved, before actually deciding on foreign direct investment (Rugman & Verbecke, 2008). Cross-border investments, including vertical integration and strategic alliances, do not always take place between nations whose products are characterized by oligopolistic market conditions (where market has few buyers and few sellers). The situation becomes more complicated when potential foreign investment may involve at least two transnational parties, who may enjoy different types and degrees of advantages over the other.

In general, all other available options (licensing, franchising, etc.) will normally be explored before a direct foreign investment decision is made. The investment option that is chosen (acquisition, joint venture, wholly-owned subsidiary, etc.) can be assumed to add value to the multinational value chain. With reference to wholly owned subsidiary and joint venture options, they differ primarily in terms of ownership control and, hence, the degree of authority and decision-making (Dunning & Lundam, 2008).

## **2.4 International Joint Ventures**

As described above, International Joint Ventures occur when two or more firms, from different countries, create a jointly owned legal organisation. They are international when the companies are from different countries. International joint ventures remain a popular way to invest in a foreign country, and are considered to be one of the primary drivers of the global increase in foreign direct investment

witnessed globally in the past few decades (Minter, 2008). International joint ventures are perceived as a less risky way to enter a foreign market.

One of the strongest appeals of joint ventures is that they substantially reduce, by the amount of the partner's contribution to the venture, the political and economic risks which are the main obstacles to direct foreign investment. Another advantage of an international joint venture is that it facilitates ready access to a new market and to market information (Dunning & Lundham, 2008). Joint ventures are also advantageous in terms of the needed pooling of resources, abilities, and experience between local and foreign partners. Together the partners supply capital that either one alone would not want to risk or could not raise.

However, all of these advantages do not imply that joint ventures do not have their drawbacks as well. One common problem faced by multinational organisations is to find satisfactory partners in foreign countries who possess both funds and managerial talent. Other international companies prefer to establish wholly owned subsidiaries in other countries as they are not willing to give up freedom of action in their production and marketing operations either at home or abroad. To them, shared ownership means shared management, shared control, and shared profit.

Some companies may attempt to avoid international joint ventures because of the complexities which arise from differences in cultural values and standards of operation, which compel them to compromise in order to carry on and succeed (Cantwell, Dunning & Lundan, 2010). Studying the effect of cultural differences in IJVs and revealing the impact of such differences on employee behaviour will reduce some of these challenges and enhance the outcome of these organisations.

It is worth noting, however, that as in any joint venture, the foreign partner must be ready to understand and consider the interests of his local counterpart in business. In reality, pursuing an international joint venture across national borders requires a lot of risk-taking, understanding, networking, trust, negotiation, and patience from both parties involved (Caves, 2007). As discussed previously in the section on social capital, trust is a basic prerequisite for the cooperating group to successfully pursue their joint goals. Both partners must also be committed to the endeavour in order for it to succeed.

Any form of international collaboration needs to have a deep insight into the political, economic, social, and technological conditions of the host country. These conditions vary from country to country and also develop over time so that being familiar with environmental changes is essential for the survival of the company (Cantwell, Dunning, & Lundan, 2010).

#### **2.4.1 Implications of national culture for the work-related values of multi-cultural workforce**

The impact of multi cultural differences on organisational issues have been studied for a number of decades since globalization started sweeping across the world. Statistics on international business indicate that IJVs are the most preferred mode of international business, driven by choice as well as legislature (Beamish & Lupton, 2009). However, this form of foreign business is also the one that experiences the most complex problems of multi cultural differences (Lu, 2006). The dissimilar national cultures within an IJV lead to differences between management styles which can cause friction and affect performance of the organisation (Lu, 2006). While joint



ventures and other forms of multi cultural collaborations have their advantages, many of these collaboration attempts end up in failures or continue to perform at subpar standards due to many operational issues surrounding the management of such collaborations.

International joint ventures are particularly susceptible to suffer from differences in organisational behaviour issues arising from cultural variations between the multi cultural members of the organisation. According to Faulkner (1995), cultural characteristics of the partners and their representative workforce tend to influence strategic business approaches to profits, learning and information sharing, their commitment orientations to their organisation or career, as well as other managerial and employee behaviours.

Given the implications of national culture on employee and business partner behaviour, the international joint ventures (IJVs) are heavily influenced by the national cultures of the partners and its multi cultural workforce. These firms face increased levels of internal conflicts due to diversity in their work force (Horowitz & Boradman, 1994; Piturro & Mahoney, 1992). As per Schomer (2008), *“in overt and subtle ways, the deep elements of national culture influence every area of business relationships, systems, processes and work interactions across cultural boundaries”*. This creates the deep-seated differences of work values in multi cultural employees. Due to such differences, issues related to cultural gaps, varying cultural orientations lending to different work values and cultural insensitivity can crop up, hindering the process of forming effective work teams (Peng & Shenkar, 2002; Gong et al., 2005).

AlRasheedi (2006) considers the implications of national culture for the work-related values and attitudes of multi-cultural workforces in his dissertation research study *“International Collaboration In The Development Of Hybrid Vehicle Technologies In The Automotive Industry”*. AlRasheedi attempts to identify the success and failure factors relating to the potential challenges and conflicts in collaborative relationships. Also, he also investigates the various ways in which firms are collaborating internationally and dealing with the resulting challenges. In his research methodology, a number of case studies have been analysed, not only in the Hybrid Vehicle Technologies but also, for comparison purposes, in other industries facing similar challenges. Cases selected for research are identified to reflect the presence of the effects of critical factors such as political pressures, cultural diversity, technology facilitations, compensation diversity, trust, loyalty dilemma, and intellectual property issues. From the analysis of these case studies, many different potential areas of conflict have been observed between the collaborative partners. These involve cultural, human resource, intellectual property, and compatibility issues. The resulting challenges can be divided into “A”, or external factors, which are mainly political factors, and “B”, or ground level factors such as HRM, social, and technology factors. Based on the various case studies, it is concluded that the “B” ground level factors are the most critical for any collaboration to be successful because the quicker the reduction in conflicts in these factors, the quicker the cohesiveness of the partners can be achieved. Also, the most failure factors that led to dissolving of the IJV’s were ignoring the “B” factors improvement by the management (AlRasheedi, 2006).

The most significant challenge within multi cultural organisations lies in creating a cohesive and integrated team regardless of cultural distance between the employees from different cultures (Potthukitchi et al., 2002). The fact that differences in dimensions of culture affects the same aspects of organisational behaviour differently paves the way for many misunderstandings, unless people are aware of the implications of such cultural differences. With such conflicts within the organisation, the resulting disruption in communication, decision-making and operations leads to inefficiencies and failures of the venture in worst-case situations. Furthermore, the success of the venture will depend largely on how successful the expatriate management is in establishing good interpersonal relationships with the workforce and their ability to manage the human resource in an effective manner (Ding, 1997; Fischer, 1992).

According to Child & Markoczy (1993), managing IJVs are made more complicated by cultural differences in work values that affect communication, commitment orientations, decision making, conflict resolution and other HRM management approaches. As Hofstede (2007) noted, since values influence people's behaviour, and are embedded in culture, each society has its own management process (Hofstede, 2007). Therefore, the knowledge of the workforce's values and attitudes plays a key role in facilitating a proper understanding and creating empathy and cultural sensitivity. One of the key success factors of international business lies in the effective management of the human resource. Human Resource Management refers to *"the activities an organisation carries out to use its human resources effectively"* (Dowling & Schuler, 1990). The strategic importance of human resource is uncontested in today's business and is highly complex even in domestic settings.

As multi cultural organizations as IJVs are staffed with management and personnel drawn from both parent countries or from many nations, issues and conflicts tend to occur due to different value systems. While differences are acceptable, and even useful at times, if they are mismanaged with lack of cultural insight and sensitivity, it can cause misunderstandings, conflicts and rifts within the workforce. In some cases, the multi cultural staff with low cultural tolerance may act arrogantly and narrow-mindedly, thereby widening rifts (Miller and lee, 2001).

#### **2.4.2 Cultural Values Differences within IJV settings**

While mixed results are present from studies on the cross cultural impact on IJV performances, most indicate that cultural differences, unless managed well, can be detrimental to IJV performance in the long run (Barkema et al, 1996).

In a meta study of data and studies published on IJV managerial issues, Beamish and Lupton (2009) presented key areas in which IJV conflicts surface. They found out those cultural difference values such as uncertainty avoidance and long-term orientation affect partner compatibility and in fact are detrimental to IJV survival. The levels of information sharing, technology transfer and adopting other partner's proposed managerial measures may be resisted by partner representative who are high on uncertainty avoidance. The need for adhering to rules and regulations and demanding stringent agreements are behaviours which high uncertainty avoiding culture members would bring to the IJV (Beamish & Lupton, 2009).

Implications of high power distance and low power distance among the IJV partnering cultures may lead to difficulties in managing the workforce, unacceptable leadership styles and alienating the staff, etc. The level of hierarchy in the organisational structure, respect for seniority and leadership style are all influenced by

differences in the power distance dimension (Hofstede, 2007). Bjerke & Al-Meer (1993) found that in countries such as Saudi Arabia where high power distance is fuelled by authoritarian Islamic social systems, the managers and those in power desired to keep their relationships with their subordinates distant. The demand and expectations of loyalty and obedience from the subordinates were also highly pronounced in such cultures (Hofstede, 2007).

According to Li et al (2001) findings, different levels of individualism between the multi cultural partners and work force have shown to improve JV profitability and productivity. The level of individualism or its opposite, collectivism, produces an array of organizational and employee behaviours. The impact of this dimension on organisational commitment vs. professional commitment was studied by Aron Cohen (2006) in a study of 880 school teachers in 18 schools in Israel with two unique ethnic groups representing individualistic and collectivist traits. He found that there is indeed a differentiation in the two group's commitment orientations (Cohen, 2006). Those who were from collectivist cultures such as Japan considered their work place as a part of their in-group and hence were extremely loyal, having high organisational commitment (Tayeb, 2005). This difference in organisational commitment between collectivist work forces and the professional or career commitment of individualistic work forces can create a clash of conflict in IJV settings. For instance, those who are more committed to furthering their careers may choose options with short term benefits that may affect the organisation in the long-run but bring a person into the lime light for an achievement in the short run. Pursuing risky projects or entering risky markets may prove to be less beneficial for the organisation but fulfil career aspirations of a senior expatriate manager from an individualistic country.

Cases such as Enron in the USA represent such individualistic approaches to furthering one's own interests, and exploiting agency relationships. In countries such as Japan with high collectivism, such scandals and misuse of agency relationship are less common, with a high commitment to furthering organisational interest in places of personal interest (Trinidis, 1984; Hill, 2003).

The collectivist dimension also affects the learning propensity where highly collectivist cultures are resistant towards knowledge acquisition from foreigners and outsiders. This can affect the technology transfer process which is one of the main objectives of many of the IJVs (Robertson *et al*, 2001).

Studies by Noer *et al* (2007) found that individualistic and collectivist cultures have different behaviours towards outsiders and this affects the method of managerial coaching and mentoring within organisations. In a comparative study by Noer *et al* (2007), a sample of 151 participants (71 U.S and 80 Saudi managers) took part in a 3-day coaching workshop which identified that there are distinct differences in coaching and mentoring styles of the two cultural groups. Their study found that the Saudi managers use more supportive coaching styles than the US sample. This, along with more nurturing and relationship-based approaches to mentoring, is in line with the Saudi culture's feminine orientation which Hofstede found in his studies (Hofstede, 1997). Such knowledge has critical implications for IJVs with culturally distant partners as their managerial coaching styles will differ and affect the level of learning within the organisation. When Saudi and US managers are intent on establishing productive coaching and interpersonal relationships, having an understanding of the appropriate methods for different cultures is important. According to Noer (2007), “*U.S. managers attempting to engage in authentic coaching relationships with their Saudi colleagues, understanding the need to ground their efforts in personal*

*relationships and collective, rather than individual outcomes can facilitate more productive coaching”* (Noer, 2007, p 284).

The work value of masculinity/femininity affects the level of compromise, collaboration and nurturing within the organisational setting. A study by Lieshout & Steurethaler (2006) found that Swedish employees, who are from a culture that scores high in femininity, act much more collaboratively and compromisingly than other counterparts from Holland or Germany within a cross cultural environment. The study also revealed that they are more used to working in groups and collaborating in problem solving.

In certain instances, the cross cultural work values influence various organisational aspects and behaviours in combination. For example, uncertainty avoidance, long-term/short-term orientation, individualism and power distance will all affect cognitive styles of managers or workforce collectively (Hunt et al, 1989; Kahneman et al, 1982; Kumar & Andersen, 2000). The collective influence of a number of dimensions will also result in differences in decision making styles, adherence to procedures and the level of participation allowed and expected from the workforce (Trompenars, 2002; Hofstede, 2007; Ali & Schaupp, 1992; Gill & Krieger, 2000). The amount of information sought in the decision process is influenced by the level of uncertainty avoidance. Some choose to ignore this or pay scant attention to this area while highly uncertainty avoiding cultures place great importance on the information-gathering phase of the decision process. Other cultures also display various differences in decision making due differences in risk taking vs. risk aversion (Szabo, 2006). The differences in power distance and masculinity may affect the level of collaboration, the participation of employees, and consultation vs. autocratic decision-making.

As high power distance cultures are more structured, and as seniority is respected, and rarely confronted, there tends to be fewer suggestions and contributions from lower-rung employees. Szabo's study (2006) on five European countries indicated that German work culture perceives participation "*is an integral part of managerial decision making, used as a highly effective tool to achieve sound decisions and ensure employee motivation*" (Szabo, 2006). In the case of Swedish culture, the study focused upon consensus orientation and communication styles where managers seek consultation with "*everyone who may be able to provide valid input*", including subordinates, colleagues, the manager's own superior and specialists inside and outside the organization (Hofstede, 2001). In Finnish culture, the managers emphasize the integration aspect where employee autonomy and empowerment are key priorities, allowing employees to participate and make key decisions. Considering a study by Lee Ross (2005) on the comparative level of participation by Australian and Mauritian hotel workers in the decision-making process, it was highlighted that Mauritian local workers who are from a high power distance culture are "*less able to deal with autonomy and empowerment than their western counterpart*" (Lee Ross, 2005, p 256).

#### **2.4.3 IJVs Managerial Impact Case Studies**

A study by Nielsen (2001) indicated that there are differences in how managers from different cultures arrive at decisions, especially in terms of the emphasis placed upon different stages of the decision-making process (Nielsen, 2001; Neelankavil et al., 2000). Studies by Lichtenberger & Naulleau (1993) within a French-German IJV context revealed that differences in managerial style led to organisational conflicts.



The same has been reiterated in the investigations of Fey & Denison (1998) within Western-Russian IJV management. The management style of Russian top management was more consultative and allowed middle management to come back for clarifications many times, regardless of the time wastage factor. According to another study, Danis & Parkhe (2002) found that while Hungarian managers were more autocratic and had a more powerful role, German managers were more inclined to grant autonomy to their subordinates and were more team-oriented.

In Jehn's (1995) studies of US-Chinese joint ventures, major conflicts were identified in the Babcock & Wilcox Beijing Company, LTD due to mistrust and dislike of each other, stemming mainly from cultural differences (Jehn, 1995) related to collectivistic, in-group behaviour of Chinese that resisted foreign intrusions and harboured suspicion of the motives of outsiders. The study revealed that multi cultural conflicts lead to difficulties in decision-making and implementation where conflict resolution was time-consuming (Jehn, 1995). Similar cases of organisational issues stemming from multi cultural conflicts in West and Eastern European countries were revealed in Csath (1990) study. The cultural diversity and different political backgrounds in these countries have created multi culture organisational conflicts with miscommunications and lack of trust on either side (Cyr & Schneider, 1996). In countries such as Poland, Hungary and the Czech Republic, the culture has its roots in the past communist political background. Conflicts arose in cases where employees and managers from foreign cultures were not able to extend cultural sensitivity to the previous conditions and practices of these previously communist counties (Cyr & Schneider, 1996).

Cross cultural issues within multi cultural organisations may also stem from various leadership and managerial styles adopted by personnel from different cultures. Studies by Rahim and Manger (1996) identified cohesive power to be dominant in individualistic cultures. As per studies by Dorfman et al (2004), participative leadership is seen to be more commonly practiced and effective in societies that have more egalitarian cultures (Dorfman et al, 2004; Javidan and House, 2001). According to both Anderson (1983) and McDaniels et al (1991), cultural dimensions such as particularism versus universalism or pragmatism versus idealism will also influence management styles ranging from communication skills, interpersonal competencies, the need for achievement, affiliation, and power. These in turn contribute to differences in leadership styles (Adler, 1991; Hofstede, 1992). Such differences can be the source of conflicts in HR management in a multi cultural organisation.

Ali (1995) investigated the differences between Arab managers' decision styles vs. the expatriate managers working in the United Arab Emirates (UAE). Hofstede's (1997) study indicated that Saudi managers were far more inclined to avoid uncertainty and adopt a collectivist orientation system (Noer et al, 2007). The indication that Saudi management styles were consistent and unlikely to be individualist in their style also agreed with the findings of Robertson et al (2001) which noted that compared to other Islamic cultures, Saudis remained more persistent in adhering to traditional values (Robertson et al, 2001). The differences between the Saudi and US samples in the study by Noer et al appeared to be based upon a combination of factors. Firstly, the Saudi sample was more orientated towards collectivist traditions and a hierarchy which emphasised ascribed status and high power distance.

In Noer's study, a sub dimension was identified as "empowering" and this carried high impact on Saudi managerial culture as it indicated the greatest potential to establish an emotional connection with another person (Noer et al, 2007). Similarly, in Sino-foreign IJVs, Selmer (2005) cites a number of challenges which IJVs face in HRM due to a multi cultural work force. Chinese culture being high on power distance, there is much respect and deference to elders. In these Sino-American IJV's, the Chinese managers were usually older than their expatriate counterparts and they expected respect on this ground. The fact that the Western counterparts, who were much younger but more qualified with formal managerial training came from a cultural background where status is achieved rather than ascribed, and where power distance is low where seniority has little or no consideration, was a source of conflict (Selmer, 2005).

#### **2.4.4 Managerial Measures to Remedy Effects of National Culture Differences**

Studies of cross cultural organisations indicate that conflicts are linked to the performance of IJVs (Hyder, 1999). An empirical study by Demirbag & Mirza (2000) found that the performance of the IJV improves with the reduction of organisational conflicts. It is therefore important that measures and actions are taken to create a certain amount of homogeneity among the multi cultural teams in IJVs so that conflicts can be lessened and resolved effectively. While conflicts are detrimental, it should be mentioned that cross cultural diversity is, today, a major advantage rather than a burden, if managed properly. As per Gordon (1995) "*A diverse group of people, using their own creativity, innovation, judgment, intuition*

*can do a better job in today's world of constant change than any set of formal procedures or controls administered by a remote, centralized management".*

One means of resolving and reducing multi cultural conflicts would be to ensure that a process of cultural adaptation takes place (Osterman, 1994). The concept of cultural adaptation proposed that for culturally distant parties to perform successfully and to integrate well in the long term, it is necessary for both parties to engage in a learning process that will result in cultural adaptation with value congruence (Parkhe, 1991; Stening & Hammer, 1992). According to Thomas & Ravlin (1995) *"Cultural adaptation has been conceptualized as a change in behaviour to be more typical of behaviour in another's national culture"*. As per Graen and Wakabayashi (1994), to achieve such adaptation, *"systematic differences must be understood, reconciled and transcended."*

Cross cultural operations such as joint ventures where the foreign representatives have to interact with the local workforce are characterized by the presence of at least two cultures that need to find harmony in their relationships. The success of these operations depends upon cultural adaptation to create a coherent and unitary culture that comprise elements of both cultures (Cartwright and Cooper, 1993). According to scholars such as Steensma & Lyles (2000) and Chen & Wilson (2003), western managerial techniques are not often adjusted to suit the conditions of the host country and thereby cause a source of friction (Steensma & Lyles, 2000; Chen & Wilson, 2003). However, the cultural adaptation concept proposes that members of both cultures need to work towards creating new practices acceptable to both cultures (Casmir, 1993; Starosta & Olorunnisola, 1992). Such adaptation tends to create a greater level of inclusiveness for all parties involved and would help

increase employee motivation based on the ability to fulfil motivational needs of a sense of belonging (Graen & Wakabayashi, 1994; Graen & Hui, 1996; Liu & Vince, 1999; Cartwright & Cooper, 1993; Casmir, 1993; Starosta & Olorunnisola, 1992)

Secondly, organisations with greater experience of cross cultural dealings are aware that their representatives for multi cultural alliances should possess greater cultural sensitivity. They are also to be equipped with high levels of cross-cultural competencies. Companies such as Molex Inc., a successful US technology firm operating as a multinational, for example, has built these qualities into their expatriate and foreign staff selection and hiring (Solomon 1995). Sohmen (2002) proposed that efficient internal communication and team building skills are prerequisites for performing well in multi cultural settings and to bridge the cross cultural communication barriers. Senior managers that represent the host culture and partnering culture should extend cultural sensitivity and enjoy cross-cultural interactions. Previous experience in successful integration into foreign cultures will be a major advantage in dealing with foreign cultures. Organisations should ensure to choose the right individuals with proper cross cultural competencies to spearhead cultural integration within IJVs.

In some cases, cross cultural issues are aggravated when either party feels that the IJV representatives are biased towards their own parent firms and do not hold commitment and loyalty to the IJV itself. This can hinder the cultural adaptation process and also affect the possibility of dismantling collective in-group defences of members representing partnership from collective cultures. Recommendations for resolving loyalty dilemmas which the IJV management or staff face lies in both parent companies maintaining “*arms-length*” interference policy where the IJV’s operational

decision making and activities are concerned. For example, in the Fuji and Xerox case study, it is cited how both parents maintained low interference, allowing its Fuji – Xerox joint venture to make even strategic-level decisions with local responsiveness (McQuade & Gomes, 1996).

The provision of cross-cultural training (CCT) to expatriate staff and those to be sent on foreign assignments is another means of ensuring effective means of surmounting issues present in cross cultural teams such as IJVs (Selmer 2005; Niell, 2008). Studies indicate that CCT, when directly related to the assignment destination culture, can be most effective in grooming the management and employees to integrate effectively to the host cultures. It is important that the focus of the training be on the work adjustment, as this is the most critical performance area affected by the manager. Many scholars have the view that there is insufficient training in the area of work adjustment (Brewster and Pickard, 1994; Early, 1994; Tung, 1981). When CCT focuses on work adjustment areas, the manager will have a greater affinity towards how the tasks are performed in the new culture and have more effective adaptation strategies.

According to Sohmen (2002), managers and leaders in IJV settings must embrace and appreciate the power of creativity, innovation, new insights, intuitions and the wider spectrum of thought patterns and tacit knowledge that is brought to the organisation through a multi-cultural workforce, and be proud to lead a diverse team (Sohmen, 2002). They should also nurture and develop their cultural awareness and understand the most suited conflict-resolving method within context. Given that conflict resolution itself is culturally dependent, adopting methods that suit the multi cultural workforce is the first step in showing respect for all involved. Such a

compromising stance will create a greater level of trust between the parties involved, increasing the chances of reconciliation. Beamish & Lupton (2009) raise the importance of training expatriate managers on cross cultural competencies before their deployment to foreign IJVs in order to mitigate multi cultural conflicts (Beamish & Lupton, 2009).

Lastly, it is also important to consider the cultural compatibility of the IJV partners itself in ensuring harmony and cohesion in the IJV environment. Fey and Beamish (2001) stated that IJVs with similar organizational cultures stood a higher probability of success. Therefore, gaining a proper awareness of how cross cultural work values will influence the future work and organisational behaviour should be a priority for those seeking to establish IJVs that bring foreign cultures into contact. When selecting an IJV partner, it is important that shareholders and managers representing each parent firm be observant of the internal environment of the other parent firm as well as the national culture from which they are moulded. This will help them to assess the fit between the two firms. If it is not a close match, this should be addressed before proceeding with further negotiations. By stating in advance at the negotiation stage, how and what parts of the organization will be managed on the basis of cultural orientation, conflicts can be reduced and the process of cultural adaptation can be expedited. Furthermore, Beamish & Lupton (2009) propose that greater IJV stability and better performance can be achieved by “*clearly delineating management responsibilities and deferring to a set of previously agreed-upon rules if conflict arises*” (Beamish & Lupton, 2009). While maintaining an international workforce is a challenging task, most issues can be surmounted with due recognition of the problem’s existence and addressing them with special programs and solutions as well as specific managerial action.

Considering IJVs in Europe, a French-Polish Joint Venture for manufacturing consumer electronics established in 1991 had eight expatriate managers at the top level with a workforce of over 3,000 employees. The French management successfully created a cohesive work group by applying consistent HR policies with minimal modification, such as the use of job classification using the Hay system and linking incentives and salaries to job classifications. *“Since the start-up of the venture, quality had improved 5 to 20 times, and rejects were less than one percent, down from 33 percent a year earlier. In 1992, one team from the IJV won the coveted 'Quality Leadership Award' for the best European quality team. Absenteeism was reduced to less than 4.5 percent”* (Cry & Schneider 1996).

Having open and genuine communication efforts is another area to be pursued by the managers in IJVs to promote cohesion and integration of the work force within the IJV. Cry & Schneider (1996) cited how managers of a French-Polish IJV reduced their cross-cultural issues through open communication. Their communications organisation-wide signaled that joint collaboration and team performance was the key expectation. One French manager in the French-Polish IJV outlined: *“We want to turn the minds of people and to show them that working with a French company is possible”* (Cyr & Schneider, 1996). Another successful German-Czech IJV manufacturing automotives developed key policies jointly with the two groups, and the concept of *“Learning Organisation”* was implemented by pairing off German and Czech managers together to share the know-how. With 80 German expatriates and 160 Czech managers and 17,000 employees, this IJV is a success, driven by its slogan *“Integration versus Domination”* (Cyr and Susan, 1998). A Swedish–Hungarian IJV in telecommunications started in 1991 with a 74% stake of the Swedish company.



The Swedish parent company emphasized the need for the IJV culture to be developed as a family environment, with a focus on communication, employee participation, and teamwork. The company has succeeded in developing a cohesive work force which achieves above-average performances. Relieving the management of loyalty dilemmas and encouraging employees to treat the IJV as their family is a key priority which the parent companies should address (Cyr & Schneider, 1996).

According to Selmer (2005), proper international entrepreneurial behaviour is a key to succeeding at managing cross-cultural teams. According to her, some of the critical international entrepreneurial behaviours include the “*ability to recognise the importance of social networks and using them, cultivating relationships, knowing the importance of establishing credibility, and knowing when to defer an international initiative.*” Non-astute behaviour includes judging others based on national standards or prior international experience, passivity, and not communicating regularly or effectively with international partners, among other factors (Selmer, 2005). Managers who are poor in such international entrepreneurial behaviour must develop and apply it to the work setting, in order to be effective at IJV management.

## **2.5 International Business in Saudi Arabia**

### **2.5.1 Forces Influencing the Attractiveness of Saudi Arabia for International Business**

The increase in globalization and direct foreign investment witnessed in recent decades has given rise to an ever-increasing number of multinational organisations involved in international business (TRADOC, 2006). Just as this trend has influenced many parts of the world, so too has it influenced the kingdom of Saudi Arabia; such influence has made transformations in the society and business sectors.

### **2.5.1.1 Transformations within the Saudi society**

Transformations within the Saudi society have kept pace with external influences from globalization. These can be classified in terms of political, cultural, and economic transformations and in each case there is growing evidence that Saudi Arabia is changing in ways that will benefit international business in the medium to long term.

On the political front there has been a gradual increase in democratic systems initiated by King Abdullah since he came into power in 2005. Even before his accession to the throne, he assisted his predecessor King Fahd in responding to numerous calls for political and social reform. In April 2003, 100 politicians and academics wrote to the senior princes with demands for reform to the judicial system, equal rights for women and greater democracy, including the right to elect the Saudi government (Raphaeli, 2003). Having inherited a government system that held religious and secular authorities in balance, he embarked upon a slow and careful programme of reform, introducing a series of measures that have moved Saudi Arabia gradually towards a more open and democratic system.

The political system of Saudi Arabia is a monarchy and the legal system is based on Islamic Shari'a law. In practice this means that power is located jointly in the royal family and in the *Ulema*, or Islamic religious authorities. Religious and state authorities check and balance each other, and this is the informal but nevertheless very effective mechanism that guarantees long term stability (Glosemeyer, 2005). Elections take place for local appointments, but so far most important decisions have been made by the central government. There are no parties, in the sense of Western style political units, but there are many fractions with different opinions, and these

differing views are allowed to be raised in consultative meetings. Traditionally, government positions are appointments made by the King, who is also the head of government. This is not a democratic system in the Western sense, and outsiders often struggle to understand how it works. Hertog (2005) describes it as “*segmented clientelism*” which he defines as an offshoot of the rentier state phenomenon in which relationships of exchange and mutual obligation operate informally both at macro and micro levels. Negotiation and bargaining take place between different social actors in order to produce mutually acceptable results. These exclusive and often hierarchical networks entrench old alliances and make political reform very difficult, but the changes of recent years demonstrate that it is not impossible.

The 1990s King Fahd created the Shura (consultative) council, which has a role in debating current issues and advising the government on policy. This group has increased in size, with its membership and remit being broadened year by year. In 2006, six women were appointed as advisors to the Shura Council, and this was later increased to 12 (Human Rights Watch, 2011). In 2007, Saudi women were permitted to enrol in Law School, which is a first step to their wider participation in the judicial system (House, 2007). There are plans to allow Saudi women to become full voting members of the Shura council in due course and this shows that the reforms, although too slow in the eyes of some observers, are proceeding steadily in a liberalising direction. King Abdullah is on record as saying that women should be central to the Saudi Arabian economy and this is evidence that he is turning his words into reality (Buchanan, 2011).

King Abdullah reshuffled his cabinet in 2009 and for the first time included a woman, Nora bint Abdullah al-Fayez as deputy minister in charge of female students and this was widely hailed as a “*significant breakthrough*” in Saudi culture and

society (Borger, 2009). This represented a new approach which shocked the Islamic authorities but was broadly welcomed by the public and by international observers. In 2011, it was announced that women would be allowed to vote in municipal elections, and also to stand as candidates and campaign for election, with this planned to take effect at the next possible opportunity which is in the 2015 election round (MacFarquhar, 2011). The strategy of the King appears to be to announce each step of political reform with a long lead time, in order to deal with the inevitable backlash from conservative forces, some of which are religious, some of which come from other branches of the royal family. There are also some organised units of political opposition to the monarchy which are generally funded and located outside the Saudi State such as the Committee for the Defence of Legitimate Rights (CDLR), which is based in London (Champion, 1999). This and other groups want more reform, not less. The King has to walk a tightrope between extremes, some people wanting to preserve a very restrictive kind of Islam, and others wanting fast and revolutionary change. His approach of slow and steady progress allows the government to iron out all the practical difficulties that arise when new policies are first implemented. He is at the same time building up an expectation of change and creating the space and time to let it happen in an orderly fashion.

There is no doubt that the round of protests in other Arab countries, some of which have resulted in very serious civil disorder, has added some urgency to the reforms in Saudi Arabia, but thus far the country has by and large avoided the violence and unrest that has plagued other Islamic states. The Saudi government is sympathetic to reform but equally concerned with preserving the stability that is necessary if economic development is to continue as it has been doing for the last twenty or thirty years.

On the cultural front there have been a number of very significant changes which are transforming the traditional and conservative culture of Saudi Arabia and making it better able to compete in the global market place. Education has been a very high priority in the latter half of the twentieth century with a number of highly respected colleges and universities recruiting staff and students from within Saudi Arabia and beyond. These universities were all single sex establishments, which is in accordance with the religious traditions of the Wahhabi Islamic religion. In the new millennium, however, there has been a move to change this segregated culture with the creation of a brand new multi-billion dollar university near Jeddah. It is called King Abdullah University of Science and Technology and it is a mixed-sex institution which reflects the impact of culture values that Saudi society learned from expatriates through multinational culture working in Saudi Arabia.

Within the campus, the religious police are not allowed to operate, and there is some relaxation of the rules on social conduct, so that for example teaching takes place in mixed-sex classes and women do not have to wear veils in class. Women, who make up about 15% of the student population (Usher, 2009) are also allowed to drive on campus, making this an experiment in freedom of association between the sexes that was hitherto only available to those who were able and willing to pursue their studies in foreign universities. Significantly, also, the teaching at this university is done in English, which demonstrates the government's commitment to opening up society to more contact with the international research and business communities. There is some resistance to these developments from some religious authorities within Saudi Arabia because it contrasts with more traditional styles of education.

Nevertheless, the university continues to be a key element in King Abdullah's programme of social and cultural reform and it demonstrates a hope that it will act "*as a beacon of academic excellence in an educational landscape still dominated by religious and rote learning*" (Usher, 2009). Saudi Arabia needs to prepare for a future that is less dependent on foreign labour, and more able to generate new employment for its growing population (Looney, 2004). The role of modern institutions like this is likely to be crucial. The role of women in Saudi Arabia is the subject of much comment in the international community. The political changes mentioned above are evidence of one strand of reform that aims to increase the participation of women in Saudi society. There have been some well-publicised demonstrations of resistance to the strict enforcement of Islamic law regarding the conduct of men and women in public places. As a result of increased international presence in Saudi Arabia due to the Gulf War, many Saudi customs and practices were reported first-hand by foreign journalists, arousing increased international scrutiny. Within Saudi Arabia, this played a part in encouraging protests, both on the part of conservatives who resented intrusion by foreigners into Saudi affairs, and by more liberal elements, who aspired to a society that allowed more personal freedoms, particularly for women.

An example of this can be seen in the protests against the driving regulations which prohibit women from driving in Saudi Arabia. On 6<sup>th</sup> November 1990, forty-five women drove their cars into the centre of Riyadh in protest of the ban on female drivers (Doumato, 1992). The women who protested were arrested by the religious priests, and suspended from their jobs (Fandy, 1999), which was a setback to reform. The movement to change this and other aspects of Saudi policies regarding women's rights has been taken up and continued in the twenty first century.

Sections of the population who are well-educated and technologically literate are using social media to discuss these matters and campaign for change. A very encouraging sign of cultural change can be seen in the success of Saudi women in the world of work. Officially, there is a ban on women being employed where they may come into contact with men, and this has held women back from fully entering the workforce. On the other hand, however, there is a very lively and successful female economy based on sectors such as art, jewellery, interior design, and photography, as well service areas such as beauty salons, professional marketing, public relations, events management and of course education (Altourki & Braswell, 2010).

The study by Altourki and Braswell (2010) reports a need for further reform of Saudi cultural rules such as “*gender specific obstacles in the regulatory environment, limited access to and use of formal capital and financing methods, the need for more sophisticated marketing ... and greater access to support services.*” Despite these areas that require improvement, the authors report that 69.3% of female business owners in Saudi Arabia are “*very optimistic about the future outlook of their businesses.*” Saudi Arabia has introduced social change rather later than some other Arab states, but it is committed to further progress in this direction.

Some see developments like the recent political reforms as a “*veneer of change*” (Fleishman, 2011) and the creation of the King Abdullah University of Science and Technology as an isolated “*bubble*” or “*oasis*” (Usher, 2009) of innovation within a static and reactionary country that remains largely untouched. When one looks at all of these initiatives together, however, they show a real commitment to moving forward in a more internationally-focused way.

It would be neither possible nor desirable for century-old traditions to be wiped out overnight, since these are what make Saudi Arabia what it is today, but the political and cultural changes that are taking place demonstrate a steady and controlled development towards internationalisation and greater alignment with international business norms.

#### **2.5.1.2 Transformations within business sector in Saudi Arabia**

One consequence is a significant shift in the profile of Saudi businesses. State-owned and family-owned businesses are now making way for international joint ventures with shares of ownership (Al-Sarhan & Presley, 2001; Williams, 2009). Small businesses are transitioning to international and multinational enterprises, with recognizable competitive advantages within the global business sphere (Jasimuddin, 2001). This transition was largely initiated by the Fifth Development Plan (covering 1990-1995). This plan called for the privatization of government-owned companies (Al-Sarhan & Presley, 2001), which were classified into four groups:

- strategic activities that would remain as a government responsibility;
- government activities which would be transferred completely to private sector ownership and management;
- government activities where joint-venture ownership and management with the private sector would be encouraged; and
- service activities that could be contracted out to the private sector, or where other private sector participation methods could be implemented.

The long term objective of the Fifth Development Plan was for the private sector to achieve 70-80% ownership in most joint-ventures (Al-Sarhan & Presley, 2001).



The outcomes of the Fifth Development Plan were further developed in the nation's "*privatization plan*," approved by the government in June, 2002. This privatization plan announced the transferring of certain government-held items to the private sector:

- Governmental shares in joint stock companies
- Certain public projects
- Allowed for the utilisation of private capital to finance existing public projects
- Merged regional electricity companies into the "*Saudi Electricity Company*" (SEC)
- Set up a joint stock Saudi Telecommunications Company (STC)
- Established a joint stock utilities company for the industrial cities of Yanbu and al-Jubayl.
- Promoted increased private sector participation in the establishment and management of a free trade zone at the Jeddah Islamic port.

The Foreign Investment Act of 2000 marked another significant step in the liberalization of the Saudi market in that it made it much easier for foreign companies to enter the Saudi market (Minter, 2008).

While the Saudi market does face some challenges, the consensus is that the business opportunities within the country are significant (Warren, 2008). This potential, in combination with the opening of the Saudi market, has led to a significant increase in direct investment (FDI) into the kingdom. FDI in 2000, the time when the Foreign Investment Act was passed, was \$778 million; in 2009, it had climbed to \$35.3 billion (National Competitiveness Council, 2010). Generally, most of the international foreign companies who choose to invest in Saudi Arabia do so for the reasons such as to improve their competitive positions, to explore new markets, to secure unviable raw materials such as crude oil and natural gas for their home country, and because of tax benefits available for foreign companies, such as tax

holidays of up to ten years depending on the situation (Foreman, 2009). In addition to that, one of the main governmental objectives stated in the Ninth Development Plan (2010-2015) was *“To enhance the role of the private sector in socioeconomic and environmental development and expand domains of private investments (domestic and foreign) and public private partnerships”* (Ministry of Economy and Planning, 2010). This suggests that there are increasing opportunities for international companies interested in investing in the Saudi economy.

### **2.5.2 Incentives for international organisations to do business in Saudi Arabia**

The attractiveness of Saudi Arabia as a recipient of foreign investment is the result of a combination of many different factors. However, it can be said that there are three main reasons. First, as described above, the government has taken important steps to make the market accessible and attractive to foreign investors. In addition to tax holidays, the possibility of interest-free loans, and other incentives, Saudi Arabia also features a highly developed infrastructure such as ports, airports, highway networks, and communication systems, as well as other advantages such as low utility costs and low labour costs (particularly for unskilled and semi-skilled foreign workers, primarily from Asia, who reside within Saudi Arabia) (Hanware, 2010). Moreover, Saudi Arabia has a number of incentives for companies who choose to invest there. Some of these include (Gene and Omar, 2006):

- Decreasing corporate income tax from 45% to 20%.
- Reducing import tariffs from 12% to 5% for more than 90% of imported goods.
- No personal income taxation.

Second, the Saudi Arabian market is itself a strong market with a lot of potential and increasing demand. A young population of over 28 million makes the Saudi market attractive. With per capita income forecast to increase from \$20,700 in 2007 to \$33,500 by 2020 (Saudi Arabia General Investment Agency, 2010), market demand is also expected to increase. Currently, the Saudi Arabian market is the largest market in the Middle East and as of 2010, was the 23<sup>rd</sup> largest economy in the world, and the 14<sup>th</sup> “*ease to do business*” country in the world (Saudi Arabia General Investment Agency, 2010).

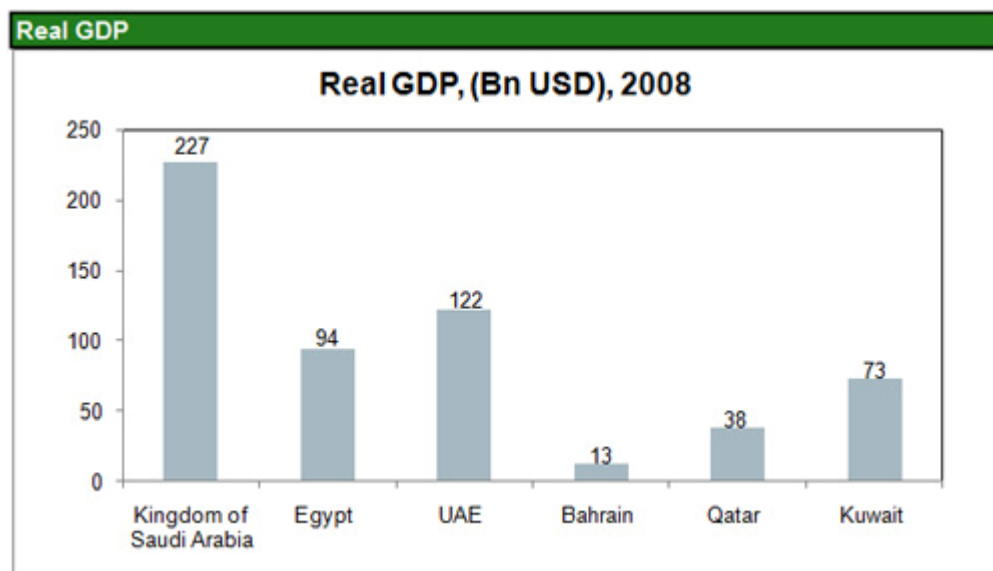
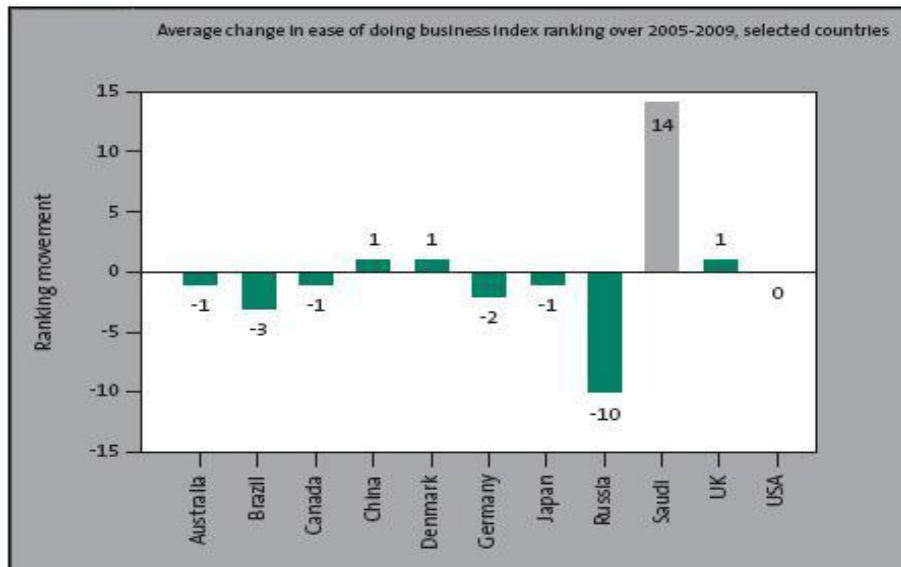


Figure 1. Real Saudi Arabian GDP, 2008 (Source World Economic outlook Database, IMF, April 2009)

Third, Saudi Arabia is strategically important due to its large reserves of oil and natural gas. Oil and the access to oil are particularly important as Saudi Arabia is estimated to possess 25% of the world’s oil reserves (Saudi Arabia General Investment Agency, 2010), more than any other country in the world (TRADOC, 2006).



*Figure 2. Average change in ease of doing business index ranking from 2005-2008, selected countries.*

All of these factors taken together make Saudi Arabia the country which has received the most direct foreign investment in the Arab world and which presents the competitively advantageous economy in the world (Saudi Arabia General Investment Agency, 2010).

### **2.5.3. International Joint Ventures in Saudi Arabia**

International joint venture is the most preferred form of multinational business in Saudi Arabia, and also the most dominant form, due to it being the sanctioned form of foreign investments in the Kingdom (Williams, 2009; Mababaya, 2002). The Saudi government favours international joint ventures, as it allows for the direct involvement of Saudis in these companies as equal partners. These joint ventures that exist in Saudi Arabia are generally business arrangements between companies that hold technical and commercial capabilities & competencies and local partners that

possess better local knowledge and general commercial competitive advantages.

International joint ventures remain popular for their strategic value and also because they are promoted in various ways by the Saudi government.

While some foreign companies choose to sell their technology to Saudi companies, or to enter another type of international business collaboration, the dominant form of foreign investment in the kingdom of Saudi Arabia is to partner with a Saudi firm through the creation of a joint venture (Williams, 2009).

The foreign partner often brings strong ownership advantages while the Saudi partner possesses strong location advantages. But why don't these same foreign companies choose to create autonomous/stand-alone international production facilities in Saudi Arabia? The reality is that investment in the Middle East, particularly Saudi Arabia, is strongly encouraged, on the governmental level, and on a partnership basis. Part of the motivation for this is that Saudi national companies have their own comparative advantages (in terms of resources) and they wish to protect their own business interests (Williams, 2009).

In Saudi Arabia, the joint venture is registered as a separate joint-stock company, which is treated like any domestic joint-stock enterprise, with both partnering companies fairly represented on the board of directors. In terms of ownership, control, and decision-making, the ability of the foreign partner to influence the international joint venture is directly proportional to the percent age of shares it owns within the business (Jasimuddin, 2001).

The multinational firm's ownership (competitive) advantages are important in determining a joint venture agreement between it and a foreign national company.

Normally, a multinational firm that owns technology and other complementary assets may have a good degree of freedom in choosing various strategic objectives, including foreign production, licensing, exporting, and joint ventures across national borders. However, there is no guarantee that a multinational enterprise can always opt for its own production branch abroad, despite its own ownership advantages. Location, internalization, and other considerations have to be combined with ownership advantages in order to determine whether a planned business can viably be set up as a wholly owned production branch abroad.

It is very possible that despite the presence of numerous advantages, the international production option will give way to a strategic alliance between a multinational enterprise and a foreign company, simply because the latter option is favoured by the foreign government (Cantwell, 2009). In addition to making tax holidays available to foreign firms which enter into an international joint venture with a Saudi firm, the government has found other ways to support international joint ventures. The government makes interest-free loans available for international joint ventures where the Saudi partner has at least 50% ownership of the company. Joint ventures with Saudi partners are also preferred over foreign wholly-owned subsidiaries when the government is awarding contracts, meaning that a joint venture will be given preference in receiving contracts in comparison to wholly-owned foreign subsidiaries (Mababaya, 2002).

Complications caused by Islamic and tribe issues are one of the largest motivations for international companies to decide to engage in an international joint venture compared with a foreign-owned company. Other strategic advantages also influence the decision by a foreign firm to enter an international joint venture with a

Saudi firm. As described above, joint ventures minimize risk while potentially opening up markets or adding efficiency to the means of production.

Of course, one significant advantage is also to have partners who are familiar with the customs, traditions, and business norms of Saudi society, as well as partners who have an extensive network of local contacts (Minter, 2008).

#### **2.5.4 Examples of International Joint Ventures operating in Saudi Arabia**

The main international joint ventures in Saudi Arabia are in the oil and gas sectors. With more than 264 billion barrels of confirmed oil reserves, more than one fourth of the total on the planet, and up to 1 trillion barrels of recoverable oil, Saudi Arabia possesses the world's largest oil reserves with a production rate of 9.5 million barrels per day. It also holds the world's fourth largest natural gas reserves, some 225 trillion cubic feet, which represents 5% of the global total. Saudi Aramco, the national petroleum company, accordingly has become the world's largest producer of crude oil and natural gas liquids.

The dominant international joint ventures collaboration is within the petrochemical sector, in particular with Saudi Basic Industries Corporation (SABIC) (Gene and Omar, 2006). The following are some examples of long partnership relations in the form of IJVs (Gene and Omar 2006; SABIC, 2010):

- One of the first international joint ventures in Saudi Arabia within the petrochemical sector is Saudi Arabia petrochemical (SADAF), which is a 50/50 a joint venture established in 1980 between the Saudi Basic Industries Corporation (SABIC) and Pecten Arabian Company which is a subsidiary of

Shell Oil Co. (USA). Through the years SADAF became the sixth world-scale manufacturing plant with production of over 4.7 million tonnes of petrochemical product a year. Also, SADAF has obtained certification of quality in their plant as ISO 9002 (quality assurance in production, installation, and servicing) and ISO 14001 (which relates to the environment management system) (SABIC, 2010; <http://www.iso.org/iso/home.htm>).

- Saudi Aramco has established a joint venture company with Sinopec to form Sino Saudi Gas Limited for exploration and development of gas reservoirs within Saudi Arabia, with 80 percent held by Sinopec and 20 percent held by Saudi Aramco.
- ExxonMobil Corporation has been working in Saudi Arabia since 1927. Today, ExxonMobil is a major foreign investor in Saudi Arabia. Their investment interests in Saudi Arabia include the Saudi Aramco Mobil Refinery (SAMREF), which is a 50-50 partnership with Saudi Aramco. Also, ExxonMobil and SABIC have a 50/50 share of Saudi Yanbu Petrochemical Company (YANPET) and Al-Jubail Petrochemical Company (KEMYA) since 1980 and 1985 respectively.



## **2.6 Conclusion**

This chapter introduced the main political and cultural transformations that are currently taking place in Saudi Arabia and then focused on economic transformation. It explored fundamental theories of international business and then moved on to examine different forms of international collaboration. The international business climate in Saudi Arabia was presented, as was a rationale for the prevalence of international joint ventures in Saudi Arabia.

The attractiveness of the Arab region as a destination for direct foreign investment and international joint ventures is growing and Saudi Arabia is strategically located and supported by vast natural resources in terms of oil and gas reserves.

With the country moving forward in terms of liberalizing its policies, transforming its culture and creating a conducive business climate which stimulates business activities, the attractiveness of business opportunities in the country will continue to rise.

### **3. National Culture**

#### **3.1 Introduction**

The introduction explored the background to and the motivation for this study, identifying national culture and organisational and professional commitment as being the main constructs. In this chapter the concept of *national culture* will be explored in more detail. The theoretical background of national culture will be presented and national culture will be defined. Three models of national culture, specifically Kluckhohn and Strodtbeck's Value Dimensions, Hofstede's Model of Cultural Dimensions, and Trompenaars and Hampden-Turner's 7 Cultural Dimensions will be presented. The cultural dimension of individualism versus collectivism will be discussed in detail and the implications for the organisation will be presented. Finally, the Saudi culture will be described, with particular attention being paid to the Islamic and Bedouin traditions underpinning Saudi culture, and their impact on organisational management.

#### **3.2 Theoretical Background of National Culture**

Over decades of scholarly explorations, the topic of national culture has remained a much favoured topic, with diverse views on national culture being proposed. The increase in cross cultural interactions, brought about by globalisation, has further contributed to the need for deeper understanding of the theoretical background and concepts of national culture and its influence on employee and organisational behaviour (Kalliny, Cruthirds, & Minor, 2006; Klein, Waxin, & Radnell, 2009).

The characteristics of different cultures have been studied by different scholars, and various dimensions of national cultures have been used to measure and define various cultures (Hofstede, 1998; House et al, 2004; Mallehi 2007; Pothukitchi et al, 2002; Schein, 2004; Tayeb, 2005; Trompenaars & Hamden-Turner, 2000).

The foundation for culture is the shared set of values and collective beliefs which in turn shape behaviour (Morgan, 1986). Research has indicated that such things as cognitive frameworks, learned behavioural norms, shared meanings and perceptions, ethical codes, stories, heroes, symbols, and rituals all serve to shape our sense of culture and thus our behaviours (Alvesson, 2002; Brown, 1995; Kreitner & Kinicki, 1998). Because of this shared foundation, people of the same national culture are likely to behave in a similar manner and to share similar attitudes and perceptions (Hofstede, 2001). According to Francesco and Gold (1998), culture is the “*most useful tool in identifying and explaining differences in how people behave*”.

Culture is not static, but rather is constantly changing and evolving (Schein, 1995). Tayeb (1988) acknowledges this aspect of national culture when he defined it to be “*a set of historically evolved learned values and attitudes*”. Hill (2003) describes how a society’s experiences shape its culture (Mead, 1964; Murdock, 1965; Schein, 1995). Such changes to a culture’s value system can sometimes be slow and painful, such as the acceptance of women CEOs in business, something which was generally unthinkable in the 1960s as per societal values prevalent at that time (Hill, 2003). The key elements which influence and shape culture are religion, social structure, language, education, economic philosophy, and political philosophy (Hill, 2003).

Depending on each culture and its historical background, the degree of influence each of these elements will carry will vary. Jackson and Schuler (1985) state that in any culture some values take precedence over others and that “*the relative importance attributed to a particular value may differ*” over time. It is therefore possible for some cultural values to change over time while others remain steadfastly static.

### **3.3 Definition of National Culture**

Although there are many definitions of national culture, some more or less closely aligned with various perspectives, in general national culture refers to the shared and common values of a group of people which shape and mould the social behaviour of its members (Hofstede, 2001; Leung & Bond, 2004; Shein, 2004; Smith 2002).

Hofstede (2001) defined culture as “*collective programming of the mind which distinguishes the members of one human group from another*” (p 5). Morgan (1986) defines culture as “*another means of creating organized activity: by influencing the language, norms, folklore, ceremonies and other social practices that communicate the key ideologies, values and beliefs guide action*” (p 135). Shein (2004) agrees with this view, defining culture as “*accumulated shared learning of a given group*” which affects the emotional and cognitive elements of members in that society.

### 3.4 National Culture and the Organisation

It is clear that culture is a key factor in gaining an insight into differences in how people behave as well as their preferences, attitudes, values and beliefs (Briscoe & Schuler, 1995; Hofstede, 2007; House et al, 2004; Javidan et al., 2006). National culture will necessarily affect how people behave in an organisational setting (Bhaskaran & Sukumaran, 2007; Klein, Waxin, & Radnell, 2009). According to Karine (2006) *“in overt and subtle ways, the deep elements of national culture influence every area of business relationships, systems, processes and work interactions across cultural boundaries”* (p 2). National culture thus may be perceived to be *“the invisible force behind the tangibles and observable in any organisation”* (Kirkman & Shapiro, 2001).

All employees, whether expatriates or local employees, bring their culture to work with them every day. In traditional work settings, where the organisation and the employees share the same culture, it hardly seems to matter. It is when cultures begin to mix that cultural differences become the most obvious (Adler, 2007; Pothukuchi et al., 2002). People of different cultures will behave differently in the same environmental conditions and will react differently to the same managerial and organisational issues (Hofstede, 2001). Kanter (1994), who studied expatriates representing foreign partners in cross cultural alliances, noted that companies are often surprised by *“the breadth and depth of differences”* demonstrated by their transferred managers.

From a national culture perspective, it can be said that there are 3 basic kinds of Organisations (Adler, 2007): *mono-cultural*, where only one culture is present; *multi-cultural*, where employees come from two or more cultural backgrounds; and *foreign culture*, where an organisation from one culture operates in a different culture (usually management is from the foreign culture and lower level employees are from the host culture) (Bhaskaran & Sukumaran, 2007).

Additionally, there are 3 ways that culture can be treated in a multi-cultural or foreign culture organisation. The first approach, parochial, assumes that cultural differences do not exist. Instead, everyone assumes that others, despite being culturally different, share the same values, attitudes, and behaviours and interpret situations in the same way. The second organisational approach towards cultural differences is ethno-centric; the organisation understands that there are cultural differences, but decides that one is “*right*” and the other is “*wrong*” or “*inferior*”.

This often occurs in foreign-culture organisations or multi-organisational organisations where management largely comes from one culture. The third approach to managing culture is synergistic. This approach to culture seeks to understand and accept cultural differences and tries to leverage the advantages of each culture while effectively treating any cross-cultural tensions that arise (usually through cultural-awareness training and an emphasis on communication) (Adler, 2007). It is this last approach, synergistic, which is required for the successful and optimum management of culture within a multi-cultural organisation (At-Twaijri & Al-Muhaiza, 1996; Askary, Pounder, & Yazdifar, 2008).

### **3.5 Models of Culture**

While researchers have identified many cultural dimensions, this section will focus on presenting the models that have been found to be most significant in the study of culture (Adler, 2007). They have been frequently included in lists and texts on cultural dimensions and have also been acknowledged by others (Adler, 2007; Hofstede, 2001; Hoppe, 1990) as being the definitive works in the area of cultural dimensions. Together, they present a good representation of cultural dimensions in general; they also represent the main developments in the understanding of the ways in which culture can vary (Adler, 2007; Hofstede, 2001).

#### **3.5.1 Kluckhohn and Strodtbeck's Value Dimensions**

Kluckhohn and Strodtbeck's model (1961), outlined in their book *Variations in Value Orientations*, contains the following 5 value dimensions.

- 1) Human Nature: This dimension refers to the belief of a culture as to the fundamental nature of humanity. According to this, cultures generally believe that humanity is either fundamentally evil, that it is neutral, that it is a mixture of good and evil, or that it is fundamentally good.
- 2) Man-Nature: This dimension refers to a culture's relationship with nature. Each culture either believes that the individual is subjugated by nature, lives in harmony with nature, or is the master of nature.
- 3) Time: The third dimension refers to the time orientation of a culture. A culture is either orientated towards the past, the present, or the future.

4) Activity: The fourth dimension relates to the orientation of the individual towards being or doing. Rather than referring to inactivity, “*being*” refers to a focus on self-knowledge and contemplation. In cultures with a “*doing*” orientation, people focus on what can be accomplished. Between these two polarities lies “*being-in-becoming*” which is an emphasis on activities the individual undertakes in order to develop the self.

5) Relational: This dimension refers to the nature of relationships to others. Relationships can be linear, collateral, or individualistic. Linear cultures emphasize the cultural and biological continuance of the group over time. Collateral cultures also emphasize the group, but the individual’s responsibility to continue with the group over time is not a crucial element. In an individual-focused culture, the effort of the individual is praised and accomplishment is based on individual actions.

### **3.5.2 Hofstede’s Model of Cultural Dimensions**

Although many cultural dimensions have been identified, arguably the most accepted and the most researched model is Hofstede’s Model of Cultural Dimensions (Adler, 2007; Bass, 1990; Askery, Pounder, & Yazdifar, 2008; Fougere & Moulettes, 2006; Oshlyansky et al., 2006; Triandis, 2004). The foundation for Hofstede’s dimensions was a self-assessment of work-related values and behaviours completed by over 116,000 employees of IBM in 64 countries. Because cultural differences were identified based on the results of these surveys, the connection between culture and work-place values and behaviours is easily made. In his book *Culture’s Consequences*, first published in 1980, Hofstede presented his 4 dimensions as well as their implications for the organisation.



The first cultural dimension is *power distance*. Power distance refers to the degree that a society accepts inequality in the distribution of power within that society (Hofstede, 2001; Hoppe, 1990). Power distance affects managerial styles, delegation and empowerment, decision-making styles and the organisational design which in turn collectively impact the organisation's productivity and efficiency. For example, organisations in high power distance cultures are more likely to use authoritarian management styles and to exclude employees from the decision-making process. Empowerment is also less likely. Conversely, organisations in low power distance cultures tend to have manager-employee relationships characterised by a feeling of almost being equals. Empowerment and participative management are more likely (Hofstede, 2001).

The cultural dimension of *uncertainty avoidance* measures tolerance for ambiguity and the propensity of a culture to accept uncertainty or to take action to reduce that uncertainty (Hofstede, 2001). The level of uncertainty avoidance has clear implications for the organisation. In general, managers from a high uncertainty avoidance culture will tend to minimize risk. They may take longer to make decisions and be more cautious in their decision-making. Empowerment is also less likely, as empowerment can be perceived by management as possibly leading to a loss of control. A culture's level of uncertainty avoidance can also influence employee commitment. Employees in low uncertainty avoidance cultures will in general be more likely to change jobs or try out new careers than employees in high uncertainty avoidance cultures, who will tend to stay in one job in order to maintain greater work stability rather than face the uncertainty of new work environments and new career paths.

The third cultural dimension, *masculinity*, represents how much a culture collectively demonstrates characteristics which have been categorized as being “*masculine*” (for example, valuing achievement) or “*feminine*” (such as valuing relationships) (Hofstede, 2001). In general, it can be said that organisations in highly masculine cultures will be more focused on achievement, competition, and the accumulation of monetary rewards. Conversely, organisations in highly feminine cultures will place more emphasis on cooperation, collaboration, harmony within the organisation, and relationships. According to Black (1999), organisations in highly masculine cultures may experience higher professional commitment, as employees perceive dedication to their profession as a way to achieve such important goals as status, money, or the acquisition of material possessions. At the same time, the high degree of competition and the general lack of regard for others can cause a decrease in organisational commitment. Specifically, employees may see the organisation as simply the means to achieve important personal goals, and may feel no loyalty or commitment to the organisation itself. The cultural dimension of *individualism* refers to the degree to which individuals in a culture define themselves as individuals or according to their place in groups (collectivism) (Hofstede, 1980). In individualistic societies, such as the United States and Australia (Hofstede, 2001), rather than being concerned with others, citizens are more concerned with themselves and their families. The social ties are loosely knit compared to the more integrated social networks observable in collectivist cultures, such as Guatemala and Ecuador (Black, 1999). The implications of the cultural dimension of individualism versus collectivism will be discussed in detail in Section 3.6.

### **3.5.3 Trompenaars and Hampden-Turner's 7 Cultural Dimensions**

Drawing on the work of Kluckhohn and Strodtbeck (1961) and Hofstede (1980), among others, Trompenaars and Hampden-Turner (2000) developed their cultural model, which includes 7 cultural dimensions.

1) Universalism versus Particularism: This cultural dimension weighs the question of what is more important—rules or relationships. In universalist cultures, individuals share a belief that rules, codes, and standards are more important than family, friends, or relationships. Meanwhile, particularist cultures will place personal relationships ahead of rules.

2) Individualism versus Collectivism (Communitarianism) is very similar to Hofstede's dimension bearing the same name. This dimension refers to whether the needs of the individual are more or less important than the needs of the group. It also refers to whether a person perceives himself or herself as an individual, or in the context of a larger group (Trompenaars & Hampden-Turner, 2000). In individualist societies, individual happiness and fulfilment are important, and people tend to take initiative and take care of themselves. In collectivist cultures, people have a responsibility to serve the group, whether that be their family or society as a whole.

3) Specific versus Diffuse: This cultural dimension refers to the degree to which elements are perceived as separate or related to each other. In specific cultures, people focus on individual elements first, and then put them together. People in specific cultures tend to keep different areas of their lives separate from each other, and also tend to have a small private life which is kept private. Meanwhile, diffuse cultures focus on the whole, and break down and analyze specific elements in the context of

the whole. The relationship between elements is what's important. People tend to have a large private life and tend to blur the lines between their private and work lives (Trompenaars & Hamden-Turner, 2000).

4) Affectivity versus Neutrality: This cultural dimension has to do with the degree to which people demonstrate their emotions. In affective cultures, emotions are easily and freely expressed. In neutral cultures, composure is maintained whenever possible, and it is important to preserve a facade which does not indicate what the person may be feeling. Keeping control over one's emotions is valued.

5) Inner-Directed versus Outer-Directed: This cultural dimension has to do with the degree to which individuals feel that they can control their environment or are controlled by it. In inner-directed cultures, people have a mechanistic view of nature and believe that, with enough effort, they can control it. Translated to every-day life, this means that individuals try to control and adapt the world around them to their needs. Meanwhile, in outer-directed cultures, nature is perceived as being organic and uncontrollable. Instead of trying to change or modify their environment, people in outer-directed cultures will instead adapt to their environment.

6) Achievement versus Ascription: This cultural dimension refers to whether individuals need to prove themselves in order to obtain status or if status is given to them (Trompenaars & Hamden-Turner, 2000). In achievement cultures, people derive their status based on what they have achieved. Once received, status needs to be maintained by repeated accomplishment over time. Conversely, in ascription cultures, status is derived from such factors as birth, gender, or wealth. Status is not based on what the person did, but rather on who the person is.

7) Sequential Time versus Synchronic Time: This cultural dimension is a function of two things: the ascribed importance a culture places on the past, present, and future, and the culture's approach to structuring time (Trompenaars & Hamden-Turner, 2000).

A past orientation perceives the future as a repetition of the past; ancestors and collective historical events are very important. In a present-orientated culture, the focus is on daily life. A future orientation sees the future as disconnected from the past; planning is very important in a future orientation culture.

Meanwhile, cultures can structure time in either a sequential or a synchronic way. In a sequential culture, people perceive time as a constant transition from one moment to the next. In these cultures, people tend to do things one at a time. In a synchronic culture, time is perceived as intangible and fluid. People tend to do several things at once (Trompenaars & Hamden-Turner, 2000).

### **3.5.4 Comparison of Cultural Models**

Kluckhohn and Strodtbeck's value dimensions, Hofstede's model of cultural dimensions, and Trompenaars and Hamden-Turner's 7 cultural dimensions each represent significant progress in the understanding of cultural differences, with these studies also incorporating strong methodologies. Kluckhohn and Strodtbeck's value dimensions represent the beginnings of our understanding of cultural differences, foundations which other researchers, including Hofstede and Trompenaars and Hamden-Turner, would later develop (Adler, 2007; Magnusson et al., 2008). Hofstede's model of cultural dimensions represented a major advance in the

understanding of how cultures differ and what implications those differences have on the organisation and for society (Adler, 2007). To date, Hofstede's cultural dimensions is the most accepted, cited, and replicated model of cultural differences (Adler, 2007; Bass, 1990; Askery, Pounder, & Yazdifar, 2008; Fougere & Moulettes, 2006; Hoppe, 2000; Magnusson, et al., 2008; Oshlyansky et al., 2006; Triandis, 2004). Meanwhile, Trompenaars and Hamden-Turner have been recognized as further expanding Hofstede's model of cultural dimensions, primarily by adding additional dimensions (Dahl, 2004; Magnusson, et al, 2008).

It is important to note that, Trompenaars and Hamden-Turner's dimension of individualism/collectivism is virtually unchanged from Hofstede's dimension (Adler, 2007; Dahl, 2004; Magnusson, et al, 2008; Triandis, 2004). Because of this, Trompenaars and Hamden-Turner's model does not reflect any significant development in the study of this particular dimension. When contrasting the research underpinning Hofstede's and Trompenaars and Trompenaars & Hamden-Turner models of cultural dimensions, there are several important differences.

First, Hofstede's dimensions were drawn from an analysis of independent surveys administered within a company, while Hamden-Turner's model was based on surveys specifically designed to identify and measure hypothesized cultural dimensions. It has since been argued that Hofstede's research was more objective in nature (Dahl, 2004; Magnusson, et al, 2008). Second, Hofstede's model is based on 116,000 surveys from 64 countries (Hofstede, 2001), while Trompenaars and Hamden-Turner's model is based on 15,000 surveys from 28 countries (Trompenaars & Hamden-Turner, 2000), which suggests greater empirical support for Hofstede's cultural dimensions (Dahl, 2004; Magnusson, et al, 2008). Additionally, it is

important to note that Hofstede's questionnaire included respondents which were employees from a multinational company, while the current study also utilises respondents from employees of IJVs of multinational companies.

### **3.5.5 Critique of Hofstede's Model**

While Hofstede's study was widely used in assessing and understanding national culture, his results have been challenged by certain scholars on a number of grounds (McSweeney, 2002; Johnes, 2007; Thomas, 2008, Baskerville, 2003; HampdenTurner and Trompannars, 1997; Smith, 2002). One aspect on which the critiques focus on is the validity of the assumptions upon which the entire study is based. Secondly, the soundness and validity of the research methodology is also questioned. Lastly, there are also issues with regard to the representativeness of the sample of the national culture it represents. Hofstede's findings are also questioned for their validity after 3 decades as values are predicated to change over time. The following sections consist of a number of the main arguments against Hofstede's culture model.

#### *Validity of Core Assumptions*

McSweeney (2002) was one of the main critics of Hofstede's model and his central assumption that "*culture can systematically cause differences in behaviour between people from different countries*" This is in fact the functionalist paradigm basis on which many of the cross cultural models are built. Hence, when this assumption is contested, not only Hofstede's model is under attack but the models of Schwartz (1992) and Trompannars (1993) as well. Assessing the epistemology of the study, Williamson (2009) deduces that Hofstede worked within a functionalist

paradigm. McSweeney (2002) identifies defective assumptions, some of which are discussed below.

On the first assumption, McSweeney (2002) questions whether it is plausible to assume that every micro-location is a typical representation of the national cultural environment. The thinking that the attitudes stated by the IBM sample will be representative of the entire national population is criticised by McSweeney (2002). According to McSweeney's criticism, the model also lacks any concrete evidence to justify the assumption that national culture is homogenous within the country.

McSweeney (2002) also cites the IBM sample as an atypical sample to represent a country, due to a number of facts, such as the selective recruitment policies of IBM that targets the well-educated, affluent middle class. The fact that these employees are a part of a greater organisational culture of IBM and the frequent foreign exposure may have affected IBM employees from various locations. The main argument concerning this main assumption is that there is a circular reference involved in citing the IBM sample as being representative of national culture norms, which is not backed by any substantiating evidence (McSweeney, 2002).

The validity of this same assumption was questioned in another critique made by Reiser (2010) who points out that the questionnaire was only answered by IBM employees working on the same job level, which meant that his data came from a very narrow, limited sample, which raised the question of the generalizability of his findings.



### *Cultural Homogeneity*

Hofstede's study considers each culture to be homogeneous and as having only one set of cultural values. The critiques point out that nations are groups of varying ethnicity and religion that will display different value dimensions ( Nasif et al, 1991; Redpath, 1997). The stereotyping which is inherent in this model fails to take into account the diversity in terms of populations, regional groups as well as industry and occupational-specific differences in the context of organisational settings (Huczynski & Buchanan, 2007). Hofstede's model is criticized for disregarding the importance and influence exerted by cultural sub-groups as community and ethnicity (Dorfman & Howell, 1988; Lindell & Arvonen, 1996; Smith, 1998; Mead, 1998).

A further factor Hofstede neglected in his analysis is the fact that nations cannot count as proper units of analysis as cultures are not necessarily confined by national borders, a major point highlighted in the McSweeney critique (McSweeney, 2000). Many researchers have discovered that various sub-cultures with distinct uniqueness exist within national boundaries (Cohen, 2006; DiMaggio, 1997; Nasif et al, 1991; Redpath, 1997). Hofstede defends his premises on the grounds of national identities being the only means available of identifying and considering cultural differences (Hofstede, 1998). The author agrees with this defence, that even though we may find fragmented ethnic origins within one single country, these groups share certain common representations indigenous to that particular nation.

For instance, even though you may find a wide variety of sub-cultures such as Afro Americans, Spanish or Latin Americans, Jews of European origin, Asian Americans or Americans with British, German and Italian origins, these ethnic groups

share a common American culture. This is not to say that they will not have their own ethnic uniqueness but that they will share a common culture under their nationality.

### *Political Influences*

The prevailing political climate in the global arena at the time when Hofstede created his original analysis affected the variables included and how his analysis handled these factors (Jones, 2007). When the Hofstede study took place (1980), Europe was in the Cold War and the communist ideologies dominated various areas of Asia, Africa, and Europe.

These countries had strict regimes and a closed approach to the world, restricting Hofstede's study from having access to data from these socialist countries (Jones, 2007). These political variables are thought to have affected Hofstede's outcomes, particularly those relating to masculinity and uncertainty avoidance (Jones, 2007).

### *One Company Approach*

Another area from which Hofstede came under criticism was the fact that he used a single company, IBM, as the source of his sample frame (Graves, 1986, Olie, 1995; McSweeney, 2002). They shared the view point that a study which represents the entire cultural nature of a country cannot be represented by one company (Jones, 2007). Williamson (2009), in his paper titled "*A forward from a critique of Hofstede's model of national culture*," points out that Hofstede's intention was not to arrive at an absolute measure of culture but to assess the differences between cultures and hence there is no issue in using a single company approach (Williamson, 2009).

Defending this point, Hofstede explains that by choosing to conduct the study across a single company with branches in different cultural units, he aimed at eliminating the differences that may arise from differences in corporate environment and policy if a multi-company approach was used (Hofstede, 1998).

### *Out-Dated*

The model is also criticized for being outdated as the study was conducted over 3 decades ago, and according to some researchers, contains obsolete value scores. This is especially so for the rapidly changing global environments, internationalization and convergence of values. One example of such cultural change is the convergence toward American cultural values by other cultures (Robert et al, 2005). This is probably driven by the high exposure to American culture via media such as Satellite TV, Hollywood movies, internet, and academia and through expanded levels of trade and investments that Americans partake in. However, it is possible that these changes are superficial while core values remain more ingrained over the years (Hofstede, 2007). Hofstede defends his study on this point by saying that the cross-cultural values are strongly ingrained and that recent replication results by other scholars support the thinking that culture will not change overnight (Hofstede, 1998).

In his work “*Comparing Cultures*”, Thomas (2008) points out a more serious error. His critique questions the fact that the items used in Hofstede’s survey lack a rigorous formulation of a theoretical base. The items were in fact extracted from a broader employee survey that was targeting employee issues and was later extended to represent national culture. This original survey, from which the Value Survey Model (VSM) items were extracted, was designed with the objective of assessing

employee satisfaction, their perception of work, and personal beliefs and goals (Thomas, 2008).

### *Criticism of the Hofstede Model with Regard to Arab Region Scores*

The data integrity is further questioned on the treatment of lost data from specific Arab countries which were never replaced. Instead, Hofstede created a group score for the Arab region, depending upon the general data relevant to the region. The initial analysis in Hofstede's model mentions the Arab region as a single grouping. Although this was corrected in further analyses by Hofstede in 1982, the Arab region was analysed in terms of four of his five dimensions (Hofstede, 1984). The initial assessment had 6 countries included, yet, information revealed by critics indicate that due to accidental deletion of data, only general data was used in the initial model scoring.

Reiser (2010), in *Analysis of Cultural Differences in Dubai*, is critical of the fact that Hofstede combined data from a number of Arab countries to reach his conclusions on a singular Arab world. The reason why this singular grouping was given to such a large number of countries, which obviously had different cultural orientations, despite sharing the same religion, was necessitated by an accidental data deletion in the original survey data collected between 1967 to 1978 (Reiser, 2010; Jones, 2007). Since the only data saved reflected the total region, Hofstede's model provided a single score for the Arab world which did not concern specific differences between individual Arab countries (Reiser, 2010). Scholars such as Jones (2007) and Reiser (2010) point out that this deletion of the majority of the Arab results in the initial survey, attempting to rectify it by adding various Arab nations which were not

previously included into the subsequent studies to arrive at the Middle Eastern score, would have significantly distorted Hofstede's results relating to the Arab world.

However, other studies by Arab scholars on various cultural aspects found out that the Arab world is in fact collectivistic, as predicted in Hofstede's study (Ali, 1993; At-Twaijri & Al-Muhaiza, 1996; Ali et al, 1997). A study by Leat & El-Kot (2007) conducted in Lybia supported the Hofstede's Arabic Region culture scores. Another scholar, Twati (2006) used Libyan case studies in one of his national culture-related studies and discovered that as predicted by Hofstede's scores for the Arab world, Lybia is in fact high on power distance, masculinity, and uncertainty avoidance.

### *Support*

While it is quite healthy for a proven and well-established theory to be examined and critiqued for possible flaws, this study on cross-cultural studies remains one of the most widely-used research studies among scholars and practitioners (Furrer, 2000; Ross, 1999; S ndergaard, 1994). The study is one of the most widely cited models in literature and is also a preferred scale of cultural difference measures.

In his defence of the Hofstede model, Jones (2007) points out that this analysis is one of the most insightful and valuable in the body of literature focusing on cross-cultural relationships.

Many scholars believe that the work provided a foundation for understanding differences between countries based on cross-cultural variations (Fang, 2006; Harris & Chris, 2008; Robbins et al, 2008; Yee et al, 2008).

Most agree that Hofstede's study revolutionised the domain of cross-cultural studies and stands to date as the most prominent work in the field of cross-cultural business (Fang, 2006; Silvia, 2006; Soares, et al, 2007; Roberts, 2005, Jones, 2007, Taylor, 2000). Scholars support Hofstede's model on the grounds of its simplicity and its suitability for comparative purposes (Dwyer et al, 2005; Osland & Bird, 2000; Twati, 2006).

Roberts et al (2005) note that some of the reasons why Hofstede has been criticised is due to the fact that some other researchers and writers have used cultural dimensions and scores provided by Hofstede in an inappropriate manner (Roberts et al, 2005). The replication studies of Hofstede's dimensions have provided results that confirmed Hofstede's predictions generally from cross-cultural and organisational psychology, organisational sociology, and management and communication.

Studies in these fields have cited his works, which suggests that valid and reliable instruments were used (Søndergaard, 1994; Christie, et al, 2003). Therefore, ultimately a greater argument exists to support Hofstede than the work which disputes various areas of his work.

In the context of this study, the use of Hofstede's model to measure the differences in cultural orientation between Saudis and Westerners was deemed appropriate for a number of reasons. First of all, it was one of the pioneering studies on cultural differences and is widely used in hundreds of subsequent empirical studies in the field of national culture.

Secondly, there are a large number of studies that successfully replicated the study. These were carried out across various parts of the world yielding multi-location results. All of these studies have confirmed the results which Hofstede's study had identified. These subsequent studies were based off of various methodologies that did not carry similar methodological issues which the Hofstede model was criticised for. Still, the final results were the same.

While noting the critiques of other scholars, the fact that the IBM study was carried out within a cross-cultural company environment, that it measured work-related employee values, and that it provided a basis for distinguishing between two cultures on a set of dimensions was useful for this study as these points were aligned similarly for the current study. This study too is conducted within the organisational environment, exploring cultural values that relate to values of employees.

It seeks to differentiate the influence of two cultural groups (Saudis and Westerners). Thus, the applicability of the Hofstede model as a basis for differentiating between the two groups of nationalities is high. The study used only one dimension from Hofstede's model, the Collectivism / Individualism dimension.

Also, in my opinion, the fact that this study is seeking to generalise its findings to the IJV environment alone and not to the entire culture reduces the impact of the "*non-generalisability*" weakness critiqued by many of opponents of the Hofstede model. All this concurs with my choice of this model providing an opportunity for a comparative study of national differences in various cultures within multinational companies such as IJVs.

### **3.6 The Cultural Dimension of Individualism versus Collectivism**

#### **3.6.1 Individualism versus Collectivism**

The construct of individualism versus collectivism in cross-cultural analysis has existed for some time (Dirani, 2008). Each of the three sets of cultural dimensions described above, namely those of Kluckhohn and Strodtbeck (1961), Hofstede (1980), and Trompenaars and Hamden-Turner (2000) have included this dimension as a way to distinguish similarities and differences between cultures.

Of the common cultural patterns that have been recognised, individualism and collectivism have received significant attention since the determining work by Hofstede (1980), and have been the focal point of particularly rich theoretical explanation (e.g., Triandis, 1995).

Typical attributes associated with individualism are independence, self-reliance, an emphasis on uniqueness, achievement orientation, and competition (Green et al., 2005; Triandis, 2004). The individual and the satisfaction of his or her needs are emphasized. Individuals are portrayed as having control over and being responsible for their actions (Green et al., 2005). In contrast, collectivism places the needs of the group over that of the individual (Hofstede, 2001; Triandis, 2004) and individuals are perceived in the context of their place in the larger group. Attributes associated with collectivism include a sense of duty to one's group, an emphasis on relationships (Triandis, 2004), a desire for social harmony (Green et al, 2005), and conformity to group norms. Standards and norms set by the group strongly influence the behaviours of the individual (Green et al, 2005; Triandis, 2004).



According to Triandis (2004), collectivist cultures emphasize context more than content. One example of this is that in communication in collectivist cultures, how something is said is more important than what is actually said.

Collectivist cultures more often attribute behaviour to outside factors, while individualists ascribe behaviour (often incorrectly) to that person's innate attitudes or personality. Thus, the context is again important in collectivist cultures; they believe that the self will change depending on the group the person is with while in individualist cultures the self is believed to be stable (Triandis, 2004).

### **3.6.2 Implications of Individualism versus Collectivism for the Organisation**

According to Hofstede (2001), the individual is important and a person's right is valued in cultures which are high in individualism. In such a society, organisational systems endeavour to honour individual preference and choice and individual performance is measured and rewarded (Irdi, 2007). Human Resource Management practices geared to the individual are implemented, and performance is valued (Triandis, 2004). Employees are more likely to focus on their own needs first and to remain emotionally independent from organisations and institutions.

The overall welfare of the group has a priority in collectivist cultures. Here, it is expected that employees subordinate their individual interests and needs for the benefit of the organisation as a whole. Loyalty to the group takes precedence over other practices and as such personal networks and contacts play a major role in all areas of work and life (Scarborough, 2001).

Workplaces in collectivist cultures often have a strict social structure and employees usually feel that they are obliged to be loyal to the organisation (Hofstede, 2001).

Collectivism is also connected to the use of an authoritarian management style, an emphasis on collaboration in problem solving, and the importance of having positive relationships with supervisors and peers (Dirani, 2008).

Importantly, according to Triandis (2004), employees in collectivist cultures are more loyal to the organisation and are higher in organisational commitment (Triandis, 2004), so they are less likely to leave the organisation.

The cultural dimension of individualism versus collectivism and their implications for the level and the form of employee professional and organisational work commitment will be the focus of this study. The next section will focus on research into the level of individualism and collectivism in the Arab world in general and in Saudi Arabia in particular.

### **3.6.3 The In-group – Out-group Differentiations in Cultural Settings**

One of the most prominent cultural manifestations in collectivist societies has been identified as in-group and out-group behaviour (Triandis, 1988). The concept of in/out-group differentiation can be described at a basic level by understanding the “*moral superiority*” held by each group, which gives rise to the thinking that “*our ways*” or “*we*” are better than “*their ways*” or “*them*.” The general preference to accept what is familiar over the unfamiliar also underlies and supports such thinking. For instance, social interactions within one’s own in-group are more comfortable and

predictable than what has to be forecasted and dealt with in the case of social intergroup actions. For this reason, people tend to prefer in-group associations over dealings with out-groups (Brewer, 1999). The clannish formations as in-groups are seen to be fuelled by factors such as scarce resources as well as shared goals and values. Studies have found out that there are many interesting psychological dynamics that may give rise to in-group and out-group behaviours. There is greater favouritism in treating in-group members vs. out-group members in all areas, including resource allocation. While in-group tendencies can have their own advantages in supporting team cohesion, alliances, and loyalty, there can be major disadvantages arising from intra-group conflicts, prejudice, and resistance to learning among other groups. These challenges be more greater where cross –cultural environments such as IJVs where culturally distant partners and work forces come together (Triandis, 1988).

The most prominent work on in-out group theory has been conducted by Triandis (1988). According to his findings, collectivist cultures display a high tendency for formation of clannish groupings resulting in in-group vs. out-group behaviour. His findings revealed that in-group behaviours are extremely supportive toward their own members but treat the members of out-groups rather harshly and consider them suspiciously. Such cultural orientations carry major implications within cross-cultural dealings if the partners represent collectivist and individualist cultures. Members from the collectivist culture are less likely to welcome suggestions or influences brought forth from outside and will also have clannish attitudes that hinder knowledge sharing, information dissemination, team integration and learning within cross-cultural environments such as IJVs.

Brewer (1999) in his study of cross-cultural research proposes that in-group behaviours are often independent of hostile attitudes directed intentionally towards out-groups and that the motivation to give preferential treatment to in-group members indirectly incites negative treatment towards the out-group. This theory put the hostilities and harshness suggested by Triandis (1988) as less of an intentional and more of an accidental outcome of the collectivist preoccupation with their in-groups. In Triandis (1988), however, examples of extreme in-group behaviours are equalled to ethnic cleansing incidents in history, such as Nazi Germany, Yugoslavian collectivist struggles or wife-beating in India where a new wife is considered an outsider to an extended family of the husband for many years.

Triandis' studies on in/out group behaviours began in the 1960s and explored various social outcomes associated with such behaviour centring on group orientation. Basing his analysis on the culture differentiations proposed by Mead (1967) on three areas (the extent of cooperation, competition and individualism), Triandis (1988) proposed two personality dimensions which he labelled as *allocentrism* versus *idiocentrism*. These two personality dimensions have parallels with other scholarly work that also focus on the same group vs. self behavioral differences such as *collectivism* vs. *individualism* (Hofstede, 1980) or *cooperation* vs *individualism* dimensions (Mead, 1967) or *collaterality* vs, *individualism* (Kluckhohn & Strodtbeck, 1961). In his work titled "*Individualism and collectivism: cross-cultural perspectives on self-in-group relationships*," Triandis (1988) studied the influence of individualism and collectivism on group behaviour vs. self behaviour deeper.

The first study undertaken by Triandis et al (1988) explored the meaning of these concepts within a culture (the US) and tested the validity of these personal

constructs. The results indicated that in individualistic cultures such as the USA, the opposite of collectivistic group orientation is present. This was reflected in three factors: self reliance with competition, low concern for in-groups, and finally distance from those in-groups. In individualistic cultures, the self goals supersede the group goals and therefore drive factors such as career commitment rather than commitment to the organisation (Triandis et al, 1988).

The most prominent observation regarding collectivist cultures is that individuals are expected to subordinate their personal goals to the goals of a collective group. This group can be the family, tribe, clan, or even a political group as in the case of certain communist countries. The individual behaviour therefore must conform to the desired behaviours of the in-group. The difference identified in this with regard to individualistic cultures is that even though there are various in-groups in these societies, the individuals are not permanently and stably bound by the in-group goals. Individualistic culture members may change their group membership from one in-group to another more loosely and easily (Triandis et al, 1988). According to Triandis et al (1988), members who are from certain cultural groups tend to display high self-orientation. These members are from cultures that are characterized by “(a) *having a frontier*, (b) *having substantial numbers of immigrants*, and (c) *having rapid social and geographical mobility*” (Triandis, 1988, p 324). All these factors tend to make the control of in-groups less certain and sharpens the focus on oneself.

There were major differences identifiable in collectivist self-orientation vs. in-out group orientation of the collectivist cultures. A greater tendency to feel homesick or lonely was evident in student subjects of Triandis’ studies (Triandis et al

1988). This can have similar implications, if expatriates are sent on foreign location assignments, away from their in-groups, reducing their chances of a successful performance. This indicates that those sharing a strong in-group mentality driven by collectivist orientations believe that they receive more or better quality social support from their in-groups than would an idiocentric person (Triandis et al, 1988).

The in/out group associations vs. self also was relevant to economic development and affluence levels as seen as both an antecedent as well as a result of individualism. According to Triandis (1988), the need for group dependency and the need for group support dwindles when one is economically sufficient and prosperous. Similarly, when there is greater individualism and less need for conformity, there is greater need for achievement, greater freedom to innovate and compete, all of which fuels economic development and hence translates into greater affluence. These factors have much relevance for IJV environments that bring together individuals from different cultures sharing collectivist and individualist orientations.

Partners and their representative work force from individualistic cultures will feel less need for conformity, will be prepared to challenge the norms, and will be motivated by achievement objectives. These individuals will be seeking innovation on a continual basis. They will also be less attached to the firm or organisation and more ready to pursue their own personal glory (Triandis, 1988). In contrast, collectivist culture members will display in-group/out-group behaviours and provide greater organisational commitment, less drive for personal glory and be ready to subordinate their own goals for the goals of the organisation. According to Triandis (1988), unlike those from individualistic cultures, people from collectivist cultures will be bound to

organizations by in-group alliances, thereby making training and development investments worthwhile.

In the context of a Western-Saudi IJV setting where members of both collectivist and individualistic societies meet and interact together, it is possible that over time, the collectivist Saudis will open up to the Westerners, based on the build-up of trust. This can lead to incorporating the Westerners into their in-groups, creating group cohesion. This will make the Saudis more open to suggest or observe changes proposed or practiced by Western counterparts in the IJV. Although Saudis from their more collectivist stance exhibit greater organisational commitment, it is possible that they may learn to incorporate greater professional and career commitment which their individualistic more self-concerned Western colleagues may display within the organisation. A reciprocal change in Westerners may come forth too, as individualistic culture members have changing alliances to various in-groups. Hence, for the period of time they are working as expatriates, their in-group affiliations may shift to the IJV, making them comparatively higher in organisational commitment than their counterparts in the head office in the West who may have no exposure to cross cultural dealings of this nature to alter their self-centred perspectives.

Lin et al (1999) cited some of the observed implications associated with the behaviours of in-groups vs. out-groups within cross cultural environment of Chinese–American IJVs. The existence of factions formed within work environments caused rifts and divisions that taxed productivity and reduced synergy.

Some in-group vs. out-group resistance and prejudice caused the avoidance of dealing with each other and creating “*stove pipe*” structures where bottlenecks in work flows were created due to the lack of harmony and cooperation between

departments or teams (Li et al, 1999). Citing certain Sino-US joint ventures, Lin and his colleagues point out that the distinction between in-group and out-group was further aggravated due to the language and cultural barriers which restrict possibilities for bridging the in/out group relationships. This further obstructs the possibilities of developing collaborative, harmonious, and supportive relations in in-group vs. out-group members, the Chinese vs. Americans in this case, within the IJV context (Li et al, 1999).

Based upon the results of their studies, Lin et al (1999) conclude that fuelled by the suspicion of the out-group's intentions, as well as the unwillingness to accept their methods and ways as right, most collectivist partners will display in-group prejudice and indifference toward their foreign partners. This will be worse if the partner is from a more culturally distant culture that shares little or no comparative similarities with the collectivist in-groups. Until such times as a level of trust between partners is established, such IJV arrangements will suffer from collectivist partner's hesitation to adapt or share information (Lin, 2002).

As per Gudykunst (1988) people from collective cultures are likely to apply different value standards for members of their in-groups and their out-groups and to behave differently depending on whether their interaction counterpart is an in-group member or someone from an out-group. For example, people from collectivist cultures would be more likely to exhibit different approaches to conflict and negotiation when facing a friend versus a stranger (Lin, 2002). Similarly, they will exhibit different propensities to accommodate and adapt to different partners, depending on how culturally close or distant the partners are.



Tayeb (2005), in her book *International Human Resource Management*, agrees with Triandis that based on individualism and collectivism dimensions, people from different cultures will exhibit in-group vs. self-centred behaviour. According to her observations, the work and life in individualistic cultures are completely separated. In contrast, the collectivist cultures foster employee–workplace relationships that are emotional and bound by in-group tendencies.

In such work environments, the in-group mentalities support greater concern for organisations than their own personal gains, such as overtime pay. People from all hierarchies of the company are willing to work extra hours if that is needed to achieve organisational goals (Tayeb, 2005).

Tayeb (2005) also extends the view that the in-group is not only for collectivist but also for individualistic cultures, though the size of the in-group may vary considerably in the two cultures. In individualist cultures, the in-group is very nuclear and will include the spouse and children. In extremely individualistic cultures, the bond between family members is also very loose. In contrast, highly collectivist cultures have in-groups that extend to include relatives, clan, and cast members. This in-group can even include the workplace as per the culture of Japan. However, in her findings, even some collectivist cultures such as India and Iran do not include the workplace in their in-group and treat it as a part of the out-group. This reduces their commitment to the workplace considerably as would be the case in some of the high self-centred cultures, in contrast to such cultures as Japan where the workplace is an essential part of the in-group.

Within a cross cultural context, the implications of this concept carries great significance, as it concerns the manner in which certain cultures would integrate with

others or choose to distance and close themselves off, at least for a period of time, until they are more comfortable and establish greater affinity to the outsiders. With Saudi Arabians being from an extreme collectivist culture, they display suspiciousness of outsiders and tend to exclude them from their in-groups, while displaying outward friendliness. Understanding how such collectivist cultures as Saudi culture achieve group integration and what steps can expedite the earning of trust can help individualistic members of the cross cultural environment achieve greater success in creating cohesion within the IJVs when challenged by in-group vs out-group behaviours of their collectivist partners.

### **3.6.4 HRM Practice and National Culture Values**

HRM is a means of moving people along to achieve organisational goals through staffing, performance, planning and resourcing, recruitment, training and development, and reward and employee relations (Mello, 2002). The impact of globalisation in business involves firms that have created international, multinational or global companies (Hamel et al, 1989). This will result in workforces that are diverse in their interests, backgrounds, training, and nationalities (De la Torre, 1998). The mixture of cultural associated with a major challenge both in cross-cultural work settings as there is increasing acknowledgment that the skills and core competencies compulsory by the home company will also be required in the host company (Tung, 1997).

Hofstede (1984) affirms that employees in collectivist countries such as Saudi Arabia expect firms to take care of them like a family member. They look at the organisations to protect their individual welfare; trust in group decisions and hiring

and promotion decisions are based on seniority, which considers employees' in-group. Employees express emotional dependence on organizations and institutions. Other studies supporting Hofstede's findings on cultural values include Hodgetts and Luthans (1993) which found that in these countries, employees' compensation policy is influenced by superiority positions and family requirements.

### ***Performance appraisal, training, and national values***

One of the important HRM tools that is affected by collectivist values is performance appraisal. The core aim of this tool is to provide information to decide promotion, transfers, salary raises, and to deliver facts to management on the performance of employees to determine training needs (Harrison, 1993). There is potential and hidden resistance to assessing and examining individual performance in developing countries (Kanungo, 1995). Evaluating the employees as a group, division, or department is more acceptable than evaluating the performance of an individual in a collective culture. However, individual evaluation is necessary in order to resolve training and development needs of employees; sometimes, however, collectivism works against this direction.

Training and development is another area of HRM practice influenced by values of collectivism. Scholarship study is approved to employees as per their request, not based on core competency or company need. This can be measured as a type of incentive to employees who have served the company for a long time. The propensity of maintaining such behaviour with employees by granting scholarships in spite of company needs is considered important as reported by Kanungo (1995). The rationale of collectivism and its link with performance appraisal, training, or other HRM divisions such as job security and hiring requires further studies.

### **3.7 The Level of Individualism and Collectivism in the Saudi National Culture**

Although there is a general lack of cultural research studies in the Arab world (Dirani, 2008; Klein et al., 2009), existing literature does support the Arab people as being collectivist. Ali (1993), At-Twajri and Al-Muhaiza (1996), and Ali et al.(1997) all carried out studies which found that Arab people are collectivist, demonstrated by their loyalty and commitment to the group, whether that be the immediate family, the extended family, or the work group. At-Twajri and Al-Muhaiza (1996) found that Arab managers operate in societies where there is a distinction between the in-group (relatives, clans, and tribes) and others. Because of this, Arab managers feel an obligation to look after their subordinates, but expect the subordinates' loyalty in exchange. One study by Bjerke and AL-Meer (1993) conducted research to measure the level national culture values using Hofstede's 4 culture dimensions (power distance, uncertainty avoidance, individualism, and collectivism). Copies of Hofstede's questionnaire, translated into Arabic, were circulated to 78 part-time Saudi MBA students in the King Fahd University of Petroleum & Minerals. The final sample consisted of 38 MBA students and 21 non-MBA students and all were male. The findings revealed that Saudi Arabia is considerably higher on power distance and uncertainty avoidance, considerably lower on individualism, and quite lower on masculinity. This is relevant to the Muslims' values about authority in Islamic societies and the Arab traditions which provide input characteristics shaping Saudis' behaviors.

### **3.8 Key Features of the Saudi National Culture**

According to Fougeres and Moulettes (2006), collectivist cultures are usually rooted in traditions and religion. In order to understand the Saudi national culture in general, and how this culture influences the way in which organisations operate in Saudi Arabia, it is necessary to briefly describe the two main shapers of Saudi national culture: religion and historic heritage (Ali & Al-Kazimi, 2005; Mababaya, 2002; Rice, 2003, 2005).

#### **3.8.1 The Islamic Religion and Work Values**

Religion is one of the most important influencers of national culture (Hickson & Pugh, 1995; Hill, 2003; Hofstede, 2001; Mencil, 2005; Rice, 2003). As described in section 2.2 above, some influencers shape some cultures more than others. It is clear that the Islamic religion permeates every area of life in Saudi Arabia, heavily shaping the Saudi national culture (Alanazi & Rodrigues, 2003; Lundgren, 1998; Mababaya, 2002; Moran et al., 2007; Pillai et al, 1999; Rice, 2003). As the birthplace of Islam, Saudi Arabia remains the focal point of Islam within the Arab world (Moran et al, 2007; Robertson et al., 2001). As a consequence, the relevance and prevalence of Islamic cultural values in the lives of its people is arguably greater than in any other Arab nation (Hickson & Pugh, 1995; Mababaya, 2002; Robertson et al, 2001). This influence necessarily extends to how business is conducted and how organisations operate in Saudi Arabia as well (Ali, 1990; Mababaya, 2002; Rice, 2003).

According to Walker et al (2003), fatalism, or the belief that ultimate control lies in the hand of God, colours the Saudi culture. This can be seen in many ways in the workplace. For example, the common Saudi saying “*There is something good in every delay*” indicates that unforeseen delays are anticipated and accepted (Walker et al, 2003). While Islam also teaches that individuals should take initiative over the things they can control, this misguided sense of fatalism has sometimes led business managers to blame fate rather than their own mistakes for poor organisational performance (Bhuiyan et al, 2002).

Islamic values and work-related ethical standards address many areas of business related activities. Both the Holy Qur'an and the Sunnah (the sayings and practices of the Prophet Mohammad) give specific instruction in many areas of business dealings, including the making of agreements, trading, monopolistic business practices, and the pricing of goods. The Holy Qur'an states, “*Be fair and honest and do not depart from justice in all human affairs including business transactions*” (Qur'an 5:8; 3:161 Al-Bukhari 3: Hadith No 328); hence, all Muslims are expected to carry out their business activities ethically and without deviating from the tenets of Islam (Mababaya, 2002). As per Islamic teachings, a business transaction or arrangement should be documented and formalized, and parties to the agreement are bound to honour the commitment. As Kalliny et al (2006) state, Arab businessmen are unlikely to violate a contract since it is considered a religious sin to do so. According to the Qur'an, it is also a religious obligation for a man to keep his word; because of this it is culturally unacceptable for someone not to do what was promised (Kalliny et al, 2006).

In the Saudi culture, a person's word is taken to be as good as a written commitment because trust and honour are key pillars of Islamic culture (Mababaya, 2002; Rice, 2003).

Islam also provides clear guidelines governing the obligations surrounding the employer–employee relationship. In Islamic culture, the employer is seen as a “*shepherd*” who is entrusted with “*a flock*” for which he is responsible (Denny, 2005). In exchange for this, followers are expected to obey the order of their leaders as long as they are in alignment with the tenets of Islam (Abdalla & Al-Homoud, 2001). This is a plausible origin of the more paternalistic managerial style noted in Saudi companies (Kalliny et al, 2006). This also gives rise to the reluctance of junior employees to voice their opinions or oppose, even in mild ways, their superiors (Abdalla & Al-Homoud, 2001).

According to Abdalla and Al-Homoud (2001), employees in the Arab world expect their managers to be fair and just in the treatment of employees. Employers are expected to provide good working conditions for their employees and also to pay employees fairly and on time as stated in the following Hadith: “*Give the worker his wages before his sweat dries out*” (Tirmidhi hadith 2987 and IbnMajaha). According to Abdalla and Al-Homoud (2001), the ideal organisational leader in the Arab world is one who exemplified many Islamic principles. They found that employees expected their leaders to be charismatic, religious, responsible, fair, forgiving, and honourable. In the ideal situation, the manager-employee relationship is based on the employee's admiration and wish to please the manager. In other cases, the manager-employee relationship is based on fear, as the employee is afraid to contradict the manager in any way (Abdalla & Al-Homoud, 2001).

### 3.8.2 Bedouin Traditions

According to Hofstede (2007), different countries have different histories and based on these historical backgrounds, their cultures differ. In addition to the Islamic religion, the Saudi Bedouin heritage is another profound shaper of the Saudi national culture (Kalliny et al., 2006). Historically, the Bedouins lived a nomadic way of life, moving from the Persian Gulf to the Atlantic Ocean and from the borders of Turkey to Yemen. The word "*Bedouin*" is the French version of the Arabic word *badawi* (*badu*) meaning "*desert dweller*" (Abu-lughod, 2000; Andersen, 2007; Keohane, 2003).

The Bedouin traditionally had strong honour codes and traditional systems of justice based on these codes. The three major Bedouin ethical codes, which are generally acknowledged to pre-date Islam (Patai et al., 2001), are *hospitality*, *generosity*, *honour-dignity*, and *courage-bravery*.

*Hospitality* is a critical value which is directly connected to personal honour. As per Bedouin traditions, any person travelling in the desert has the right to stay and eat at any Bedouin dwelling (Kalliny et al, 2006). Even an enemy must be given refuge and fed for three days. Another value which is connected to hospitality is *generosity* which is also closely linked to honour and the status of the family and clan. This re-distribution of prosperity (money, camels, sheep, and other resources) from the rich to the poor has been taught by Islam as well.

Another key value is *honour-dignity* which is closely linked to group survival. Honourable behaviour is conducive to group cohesion and survival, which reinforces the group and serves its interests. Conversely, dishonourable or shameful behaviour



tends to disrupt, endanger, damage, or weaken the social collectiveness. According to Bedouin tradition, if any member of a group loses his or her honour, the entire family has lost its honour and dignity (Abu-lughod, 2000; Patai et al, 2001).

The last value, *courage-bravery* refers to the willingness of a person to defend one's group or tribe. Moreover, this kind of value is also called “*Muruwa*-مروءة” which is related to manliness. The legacy of Saudi Arabia’s Bedouin heritage can be seen in these tribal codes as well as the strong family structure which characterizes Saudi society (Abu-lughod, 2000; Ali, 1999; Hickson & Pugh, 1995; Kalliny et al, 2006; Kassem and Habib, 1989; Rice, 2003; Tayeb, 2005).

The strong top-down structure, sometimes referred to as a ‘Bedoaucracy’ or ‘Sheikocracy’, is highly traditional and pervasive in Saudi Arabia (Kassem & Habib, 1989). This heavy group orientation extends well beyond the family and extended family units and encompasses relatives, clans, and kingship.

The group, namely the close cooperation of individuals, is the key to the Bedouin tradition and forms the basis for the mechanisms of modern Saudi society. The emphasis on the group influences work-related behaviours as well. According to Anderson (2007) and Kassem & Habib (1989), the Saudi culture’s emphasis on the group, and an individual’s role within the group, emphasizes customs such as consultation, obedience to seniors, loyalty, face-to-face interaction, and the importance of having a network of personal connections. Lundgren (1998) noted the role that relationships played in business dealings in Saudi Arabia. As Moran, Harris, and Moran et al. (2007) describe, the importance of relationships is influenced in part by the Saudi culture’s focus on honour, reputation, and dignity.

This does not only extend to honour, reputation, and dignity brought about by one's own actions, but also by the actions of others within the group. According to current literature (Moran et al, 2007; Niblock & Malik, 2007), this is one reason why businessmen in the Saudi culture take the time to get to know someone and to build a relationship with someone before doing business with them. They have to know that they can trust them. Because of this, it is common for a first business meeting between businessmen to consist only of socialisation; no actual business is begun (Moran et al, 2007). This is the first step in the process of building the relationship needed as a basis for conducting business.

Similarly, within the Saudi culture, it is important for business people to socialize with each other; again, no business is usually transacted during these social occasions, but the socialization itself is an important part of establishing a business relationship (Moran et al, 2007). In the end, in Saudi Arabia, business is conducted between people, not companies or because of a contract.

Another difference between the Western way of conducting business and the Saudi way is the emphasis on communication, namely both oral (speaking) and aural (listening) communication. This is in contrast to the Western approach which emphasizes oral communication (Moran et al, 2007). Again, this is a remnant of the traditional Bedouin way of communication, where listening as well as speaking were emphasized. The emphasis on extended networks is another remnant of the Bedouin way of life, where survival in a harsh environment often meant having a network of people to call upon if needed.

Translated to the modern organisation, this unfortunately has meant that nepotism and favouritism are quite common. Thus, currying strong relationships with superiors and with peers is very important to the success of an employee (Hofstede, 2001).

According to Abdalla and Al-Homoud (2001), managers tend to play the role of “*tribe leaders (Sheiks)*” (p 511). In this role, the managers have a strong responsibility to their employees, but expect the employees’ loyalty in return. One negative consequence of this culture is that individual ability or performance is not as important as earning the favour of the manager. As Abdalla and Al-Homoud (200, p 15) state, “*In general, those who are allowed to establish stronger relationships with the boss are chosen according to the boss’s whims rather than for their willingness to cooperate, their competence, or relevance to the work tasks*”. According to the authors, this can lead to resentment from the employees, particularly well-educated employees. The authors continue, “*This environment has a negative effect on job involvement, organisation commitment, and has encouraged immigration of many Arab intellectuals to other countries*”.

An interesting final comment concerns the prevalence of the authoritarian managerial style in Saudi Arabia. According to both Welsh and Raven (2006) and Abdalla and Al-Homoud (2001), both Islam, as well as Bedouin tradition, favour a more consultative managerial style. This is in keeping with the preferences of young managers from throughout the region, who consistently, and regardless of nationality, prefer a more consultative or participative management style (Welsh & Raven, 2006).

### 3.8.3 HRM in Saudi Arabia

Culture has a deep influence on HRM practices. The cultural values and shared attitudes to organizations and work in Saudi Arabia are different from those found in other areas of the world (Badawy, 1980; Yavas & Yasin, 1999). The main existing cultural and social characteristics of Saudi Arabia that have influenced the practices of HRM can be attributed to two interconnected main factors: the affect of religion, and the affect of tribal and family traditions.

Islamic rules and values impact management implementations in Saudi Arabia. The principles and prophetic Mohammad recommendations derived from the Koran provide directions for managers in performing their business practices. The influence of Islam can be observed in some areas, such as:

- Employment of Women
  - In spite of the investment in the education of women which led to an increase of women in universities in Saudi Arabia, the contribution of women in the official economic and community sectors is still reserved. Saudi Arabian women's representation in the workforce is among the lowest in the world. This is due to the ethical and religious faith widely held among people in Saudi Arabia that marriage and child caring remains the major objectives for women in Saudi Arabia (Doumato, 1999).
  - Managerial behaviours – Managerial practices in Saudi Arabia are shaped by Islamic rules and instructions. Islamic teaching put importance on obedience to leaders. The last word of the leader or manager is therefore accepted as right and subordinates normally show reverence and obedience to superiors.

According to Atiyyah (1999), Arab and Islamic attitudes stress harmony, cooperation, and brotherly relationships, with conflicts usually being avoided.

According to Abdulla (1997), “*the Saudi Arabia culture is a socio-centric and male dominated;*” also, he describes such culture as supportive of dependence on family connections and friends.

In addition to that, Torofdar (2011) mentioned a number of areas of cultural and social obstacles existing in Saudi society that hold back Saudis with regard to employment as skilled staff such as:

- ☐ Saudi nationals are culturally unwilling to enter low-skilled jobs.
- ☐ A lot of Saudis in society look down upon blue-collar jobs and view vocational education as a lesser position than a diploma or university qualification degrees.
- ☐ Tradition and social ties (e.g. family obligations, such as looking after parents) hold back the social mobility of many young Saudis.

The above discussion has given us factors that influence the HRM practices and policies in the Kingdom of Saudi Arabia. We can say cultural factors shape the way human resources are handled. Religion plays an important role in almost every aspect of business including HRM. The workforce market of Saudi Arabia and almost all Middle Eastern countries is the power of the government sector in the economy. The HRM procedures and policies in public agencies are to some extent different from those in the private sector.

### **3.8.4 Multinationals and Joint-ventures influence in Saudi Arabia HRM**

Companies are employing a global policy in order to be more competitive in this small village which we call the world. As firms expand into new markets, new opportunities and challenges emerge.

According to Keeley (2001), companies around the world are developing interest in human resource management as a key tactical tool that can support the competitive position of the company working cross-culturally.

Multinational companies in all forms of collaboration in Saudi Arabia are well thought-out as participators to the economic prosperity of the kingdom. Multinationals in Saudi Arabia positively influence the socio-economic development of the host country. The expertise and know-how of the multinational companies are also transferred to local firms. Multinational firms also provide jobs for the Saudi nationals (Mababaya, 2003).

The HRM of the multinational companies are different in their practice and procedures. As the individualist values of westerners working in multinational companies lead them to concentrate more on self-development and career improvement, the HRM of these companies include many core competences programs that improve such behaviour for the company's advantages (Vernon, 2002).

HRM involves the establishment and implementation of policies and procedures that manipulate the performance, capabilities, and loyalty of the employees of an organization. With respect to these strategies and measures, individuals are attracted, engaged, motivated, and developed to carry out the work of the company with maximum professionalism (Sims, 2002).

These actions the company seeks out to cast and form the actions of its employees to operate successfully, fulfil and offer satisfactory quality of employment, and to improve its position in the market-place through reinforcing the ability to compete globally (Clardy, 1996).

### **3.9 Conclusion**

This chapter focused on a detailed exploration of the concept of national culture. The theoretical background of national culture was described, the concept was defined, and three important models of national culture were presented. The focus then shifted specifically to the cultural dimension of individualism versus collectivism and their effect on the HRM in general and in Saudi Arabia in particular, which will be the focus of this study. Finally, a brief description of the two most significant influencers of Saudi culture, namely the Islam religion, and Bedouin traditions, were discussed. In Chapter 4 the focus will shift to the concept of employee work commitment, specifically organisational commitment and professional commitment.

## **4. Employee Work Commitment**

### **4.1 Introduction**

Chapter 3 explored the existing literature regarding the concept of national culture. This chapter will focus on employee work commitment.

Employee work commitment refers to the degree to which employees are psychologically attached to various aspects of their work surroundings, such as their organisation, work group, occupation, or profession (Beer et al, 1985; Hackett & Hausdorf, 2001; Walton, 1985a, 1985b ;Hackett et al., 1994). Originally, employee work commitment was viewed as a single dimension, namely the employee's commitment to the organisation. With further research and exploration, multiple dimensions of employee commitment have been identified, such as commitment to unions, to company goals, and to workgroups (Aranya & Ferris, 1984; Bartol, 1979; Benveniste, 1987; Blau, 2003; Cohen, 1993a; Jarausch, 1990, Morrow & Goetz, 1988; Norris & Niebuhr, 1983; Shankar, 1985).

Thus, organisational commitment, which originally represented the entire concept of employee work commitment, has been delineated to one of many dimensions of work commitment. As this study will focus on the connection between managers' level of individualism and their level of organisational commitment and professional commitment, Chapter 4 will focus on providing the theoretical framework, definitions, models, and outcomes of these two types of employee work commitments.



## **4.2 Organisational Commitment**

### **4.2.1 Theoretical Background of Organisational Commitment**

As described above, the concept of organisational commitment, namely the commitment of the employee to the organisation, was the original perception of the concept of employee work commitment. Because of this, most research into employee commitment does focus on organisational commitment, and the literature in this area is quite extensive (Black, 1999; Blau, 1999; Cohen, 2000; Ik-Whan & Banks, 2004; Jernigan et al., 2002; Swailes, 2004). However, there has been no general consensus on how best to conceptualize and measure an employee's level of organisational commitment (Mathieu & Zajac, 1990; Meyer & Allen, 1991; Penley & Gould, 1988; Somers, 1993; Yousef, 2003). Many scholars have agreed that a common theoretical framework is lacking in terms of understanding, defining, and measuring organisational commitment and its outcomes (Cohen, 2000; Hattrup et al., 2008; Solinger et al., 2008; Williamson et al, 2009; Guest, 1993).

Becker (1960) was one of the pioneers who provided a theoretical framework for the concept of organisational commitment with his "*side-bet*" theory of employee commitment. Becker based his concept on the degree to which employees identify with their organisation and endorse its values (Becker, 1960). Becker's theory is exchange based; according to it, employees are committed to the organisation due to the benefits they receive in exchange for that loyalty, such as having familiar work conditions, the ease of job performance due to job familiarity, and the seniority they hold within the organisation (Becker, 1960).

Gouldner (1960) identified two dimensions of employee commitment to the organisation. The first, *cosmopolitan integration*, refers to how active an employee becomes in the organisation and how much they feel themselves to be “part of” the organisation. The second, *organisational introjections*, refers to how much the organisation’s qualities and values reflect the ideal “*self-image*” of the employee. Importantly, Gouldner hypothesized that commitment to the values of the organisation could be separate and distinct from commitment to the organisation as a whole.

Porter et al (1974) proposed that employee commitment is an attachment or an affective commitment which the employee forms towards the respective organisation over a period of time. Porter et al. hypothesized that identification with the values or goals of the organisation was conducive to high levels of organisational commitment. Mowday et al (1982) further developed the longitudinal aspect of employee commitment when they outlined three stages in the development of organisational commitment: pre-entry (anticipation), early employment (initiation), and middle to late career (entrenchment).

With research studies spanning over a decade, Meyer and Allen (1984) initially proposed a two-dimensional perspective of organisational commitment which included an affective dimension and a continuance dimension. The affective dimension refers to the employee’s emotional attachment to, identification with, and involvement in the organisation. The continuance dimension refers to an awareness of the costs associated with leaving the organisation (Meyer & Allen, 1984). In 1990, Allen and Meyer proposed a third dimension of organisational commitment, the normative dimension.

This dimension refers to an employee's feeling of obligation to remain with the organisation (Allen & Meyer, 1990). All three dimensions are bound by the common view that "*organisational commitment is a psychological state that characterises organisational members' relationship with the organisation*" (Meyer & Allen, 1997).

#### **4.2.2 Definitions of Organisational Commitment**

In keeping with the importance of organisational commitment, the field of organisational psychology has dedicated substantial effort towards precisely defining organisational commitment. Many definitions of organisational commitment have been proposed, many of which reflect various dimensions identified through research.

A classic definition of organisational commitment is provided by Porter et al. (1974) who defined it as "*the strength of an individual's identification with and involvement in a particular organisation*" (p 604). Allen and Meyer (1990) provide another oft-cited definition of organisational commitment, defining it as "*a psychological state that binds the individual to the organisation.*" O'Reilly (1989) defines organisational commitment as "*an individual's psychological bond to the organisation, including a sense of job involvement, loyalty and belief in the values of the organisation*". Miller (2003) defines organisational commitment as a "*state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation.*" Both of these definitions highlight the motivational nature of organisational commitment achieved by the alignment of the employee's goals to the goals of the organisation. Namely, the employee's commitment to these goals provides motivation to achieve these goals on behalf of the organisation (Miller & Lee, 2001).

### **4.2.3 Meyer and Allen's Model of Organisational Commitment**

The organisational commitment model proposed by Meyer and Allen (1991) is based on the theory that organisational commitment is a three-dimensional construct which incorporates affective, continuance, and normative commitments. This model addresses the development process of organisational commitment and how it impacts employee behaviour. The foundation for Meyer and Allen's model of organisational commitment lies in other unidimensional models preceding it; in them, Meyer and Allen identified a common belief that commitment binds an individual to an organisation, and observed that existing literature seemed to indicate three predominant mindsets which led to organisational commitment.

Meyer and Allen integrated these mindsets into their multidimensional model of organisational commitment, which has become accepted as one of the most comprehensive models of organisational commitment (Abdul Karim & Noor, 2006; Cohen, 2003), and for this reason the model is presented here.

As stated above, the Meyer and Allen model of organisational commitment includes three main dimensions: affective, continuance, and normative commitments.

#### ***4.2.3.1. Affective Commitment***

Affective commitment is defined by Meyer and Allen (1991) as “*the employee's emotional attachment to, identification with, and involvement in the organisation.*” According to Beck and Wilson (2000), affective commitment is based largely on the congruence of personal and organisational values. Affective commitment is a state of mind that progresses from the identification stage, which is

marked by the employee's desire to establish a rewarding relationship with the organisation, to the internalisation stage, which is marked by the successful congruence of individual and organisational values.

Marrow (1993) has proposed that affective commitment is an attitude that manifests itself in positive feelings toward the organisation. Affective commitment serves as a link, or connection, between the individual and the organisation and depending upon the relative strength of this connection, the individual's identification with and involvement in the organisation will vary (Mawdy et al, 1982).

According to Meyer and Allen (1991), the affective commitment of employees is influenced by a number of factors including role clarity, goal clarity, goal difficulty, job challenge, peer cohesion, perceptions of equity, personal importance, feedback, participation, dependability, and receptiveness by management. Taylof et al., (2008) further state that the level of employee affective organisational commitment is strongly influenced by three things: to which degree employees perceive that they are treated fairly and are valued for their contributions, to which degree the organisation keeps important promises made to employees, and to which degree employees feel that they can trust the organisation.

#### ***4.2.3.2 Continuance Commitment***

The second dimension included in Meyer and Allen's (1991) model of organisational commitment is continuance commitment. It is defined as "*the awareness of the costs associated with leaving the organisation.*" There is a marked difference between affective commitment and continuance commitment. In the former, the employee is committed to the organisation willingly, primarily

through the congruence of values; in the later, the employee is committed to the organisation out of necessity (Meyer & Allen, 1991). The calculating nature of continuance commitment is noted by Beck and Wilson (2000), who hypothesised that economic benefits form the basis of this commitment. Extrinsic motivators such as high salaries, bonus schemes, and other benefit packages foster this kind of commitment within the organisation. Meyer & Allen (1984) noted the direct relationship between the costs associated with leaving the company and the level of continuance commitment. Specifically, when the costs are high, the employee's level of continuance commitment will be high; when the costs are low, the employee's level of continuance commitment will be low.

According to Meyer and Allen (1991), an employee's level of continuance commitment is influenced by such factors as pension plans, seniority values, and organisational competencies which are accrued over the years. This perspective of continuance commitment is further reiterated by Tetrick (1995), who sees it as transactional in nature, meaning that in return for material and other economic benefits, employees are willing to commit to the organisation.

#### **4.2.3.3 Normative Commitment**

The third dimension included in Meyer and Allen's (1991) model of organisational commitment is normative commitment, which is defined as "*a feeling of obligation to continue employment*". This dimension of commitment is guided by beliefs and attitudes related to ethical aspects of remaining in the organisation. Unlike in the affective or continuance dimensions, where people stay because they want to or have to, in normative commitment, people stay committed to the organisation because it is the proper thing to do.

Within a normative perspective of organisational commitment, individuals are bound by moral reasoning when they remain attached to the organisation (Iverson & Buttigieg, 1999). Such employees will not be influenced by extrinsic rewards but feel that, morally, they should extend their commitment to the organisation.

Organisations can encourage normative commitment according to the principle of mutual obligation, which has been found to strengthen normative commitment (Suliman & Iles, 2000). For example, in situations where employees receive specialised training and development at the cost of the organisation, the employees are much more likely to feel a moral responsibility to be committed to the organisation.

#### **4.2.4 Effects of Organisational Commitment**

Organisational commitment is an employee state of mind which affects their work outcomes and thus influences the organisation (Blau, 1987; Cohen, 1999, Iverson & Buttigieg, 1999; Mathieuand & Zajac, 1990; Angle and Perry, 1981,83,86). Commitment at work is an important type of attitude to encourage among employees as it is related not only to employee absenteeism and retention (Cohen, 1993; Randall, 1990), but also to job performance (Cohen, 2003), the demonstration of organisational citizenship behaviours (Blau, 1987; Cohen, 2001), and the successful implementation of organisational change (Boxall, 1996; Swalis, 2004; Wood a, 1995). Several studies have revealed that organizational commitment is imperative in relation to employee retention and motivation. Likewise, research has revealed that achieving success counts on employees' organization commitment (Hunter & Thatcher, 2007; Cabrera et al, 2006).

While the outcomes can be diverse, a high level of employee commitment can be seen as providing positive engagement in work and better organisational performance. As per Swalis (2004), “*one of the central tenets of commitment theory, and of HRM, is that high commitment (broadly defined) positively associates with worthwhile outcomes for the organisation.*” Conversely, low levels of employee commitment can have a detrimental effect on the organisation as well.

When employees are committed to their workplace, they tend to work harder, be more loyal, and work more hours and days. Absenteeism is low and turnover rates are also low (Morrow, 1993). Overall employee contribution is higher, as is employee performance (Cohen, 2003; Hunter & Thatcher, 2007; Pool & Pool, 2007), which in turn leads to greater organisational efficiency and effectiveness (Beck & Wilson, 2000).

Low levels of organisational commitment can be detrimental and bring negative effects to the organisation in many ways. Of course, low levels of organisational commitment lead to the exhibition of employee behaviours which are the opposite of those described above, such as more absenteeism, loafing, and turnover, as well as lower employee performance (Marrow, 1993). Reduced work efforts, theft, job dissatisfaction, and unwillingness to relocate are some of the other manifestations of low commitment cited by Cohen (2003). Just as low levels of organisational commitment are detrimental to organisations, so too overly-high levels of commitment are seen as negative; both are often signs of other work dysfunctions (Lowman, 1993). Under-commitment can be characterized by fear of success, fear of failure, chronic and persistent procrastination, and chronic and persistent under-achievement.



Over-commitment can be characterised by overly loyal employees, occupational burnout, compulsive behaviours, neurotic compulsions to succeed, and extremely high levels of energy (Lowman, 1993). This concludes the examination of the first type of employee work commitment to be examined in this study, namely organisational commitment. The second type of employee work commitment to be examined in this study is professional commitment, namely the commitment of the individual to his or her occupation or profession.

### **4.3 Professional Commitment**

#### **4.3.1 Theoretical Background of Professional Commitment**

As mentioned previously, employee work commitment was originally conceived as a unidimensional construct synonymous with organisational commitment. Over time, scholars have realised that employee work commitment does not have just one form, but exists in multiple forms (Benveniste, 1987; Cohen, 2000; Marrow & McElroy 1993; Morrow, 1993). The previous section examined the concept of organisational commitment in detail, and the focus will now shift to a separate and distinct form of employee work commitment, professional commitment, meaning the level of the employee's commitment to his or her occupation or profession (Blau, 1999).

It should be noted that the terms *occupational commitment* and *career commitment* are sometimes used interchangeably with the term *professional commitment* due to their interrelated and closely aligned nature (Meyer & Allen, 1993).

Although the concepts of professional commitment and occupational commitment are virtually identical, the term *career commitment* is usually used in reference to non-professional employees such as retail sales staff (Darden, 1989). Many scholars are in agreement that all of these terms refer to a common aspect of commitment an individual places on his or her occupation (Bartol, 1979; Benveniste, 1987; Blau, 1989; Meyer et al, 1993; Morrow, 1993; Carson and Carson, 1998).

Although professional commitment has been conclusively identified (Morrow & Wirth, 1989; Perry, 2006), the body of literature in this area is relatively small (Cohen, 2000; Morrow & McElroy, 1993). Most of the literature consists of studies done in order to examine the relationship between professional commitment and organisational commitment rather than to explore professional commitment itself.

Other research has focused on the increased importance of professional commitment given modern economic trends. With the increasing unreliability of employers to provide long-term employment (Neumark and William, 2001), more and more employees have shifted their loyalties from their organisations to their professions (Blau, 2009; Snape & Redman, 2003). A large portion of today's workforce consists of highly educated employees who rely on their qualifications and education as the main factors that promote their life and career goals (Cohen, 2000). They are less dependent upon their employer and organisation and are more willing to change employers when their personal and professional expectations are not met. For such employees, it is their commitment to their occupation, career, or profession that will affect their behaviour rather than their commitment to the organisation.

Carson and Bedeian (1994) developed a three component, multidimensional construct of career commitment based on the work of London (1983, 1985). The first component of this construct is career identity, meaning the establishment of a close emotional association with one's career. The second component is career planning, which involves determining one's developmental needs and setting career goals. The third component of career commitment is career resilience, meaning persevering in one's career despite disruption or adversity (Carson & Bedeian, 1994).

#### **4.3.2 Definitions of Professional Commitment**

Given the relatively small amount of literature in the area of professional commitment, few definitions exist. Morrow and Goetz's (1988) definition of professional commitment is one which is widely used. They defined professional commitment to be "*the extent to which one identifies with one's profession and accepts its values.*".

Marrow (1983) defines professional commitment as "*devotion to a craft, occupation, or profession apart from any specific work environment, over an extended period of time.*" Aranya et al (1986), who conducted research with the aim of establishing the theoretical relationship and distinction between organisational and professional commitment, proposed a definition which draws from organisational commitment definitions but contrasts with it. Given that organisational commitment has been defined as the "*relative strength with which an individual identifies with an organisation,*" the authors proposed that professional commitment should be defined as "*the relative strength of an individual's identification with, and involvement in, one's profession.*"

### **4.3.3 Effects of Professional Commitment**

According to Rhodes and Doering (1983), the level of professional commitment influences the propensity to leave one's profession and take up new professions (Blau, 2009). They focused on developing a model to assess voluntary career changes, which they defined as "*movement to a new occupation that is not part of a typical career progression*" (Rhodes & Doering, 1983, p 631).

Their theory was that personal factors such as educational investment and earnings levels, and job-related factors such as work environment compatibilities and the possibility for career progression influenced job satisfaction, which in turn influenced professional commitment levels.

It should be noted that many more people change jobs than change professions; therefore, a higher level of professional commitment is associated with greater career stability (Blau, 2009).

### **4.4 Theoretical Integration of the Concepts of National Culture and Employee Work Commitment**

The primary aim of this study is to explore the connection between national culture and the level of employee work commitment. The theoretical link between national culture and forms of commitments (organisational and professional) lies in the linkage of attitudes and values which are common to the formation of national culture as well as employee commitment. Although many studies have identified a connection between culture and organisational behaviour and performance (Briscoe & Schuler, 1995; Hofstede, 2007; House et al, 2004; Javidan & Dorfman, 2004;

Mallehi, 2007; Pothukitchi et al, 2002; Schein, 2004; Tayeb, 2001, 2005; Trompennars & Hampden-Turner, 1998; Yukl, 2006), only a few empirical studies have examined the impact of culture on employee commitment, with the majority of studies in this area focusing specifically upon organizational culture (Cartwright & Cooper, 1993; Odom et al., 1990; Ingersoll et al, 2000).

This current study serves to add upon this literature by taking a specific focus upon Saudi respondents with regard to similarities and differences from Westerners with relation to culture. AL-Meer (1989) has conducted interesting research to compare the level of organisational commitment between Westerners, Saudis, and Asian managers in Saudi Arabia. In his research methodology, he used Porter et al's (1974) scale to measure employee commitment among Saudis, westerners, and Asian managers from different companies working in Saudi Arabia. In his findings, he found that Saudis had the highest organisational commitment among all groups.

Porter et al (1974) discusses one type of commitment form, Affective organisational commitment, which represents one's behaviour and values, whereas Mayer & Allen's (2004) scales which are utilised in this study included 3 commitment forms (Affective, Continuance and Normative scales), with each one of them expressing different national values and behaviours. Cohen (2006) research into the impact of national culture on employee commitment focused upon identifying the link between multiple types of commitments and organisational citizenship behaviours.

The study involved Arab and Jewish cultures and used Hofstede's culture dimensions, including individualism, to predict organisational commitment levels.

Other studies on national culture and commitment include Black (1999) research pertaining to national culture and high commitment management practices.

Wang et al. (2002) found a positive correlation between the degree of collectivism and the degree of organisational commitment among Chinese employees. Williamson et al. (2009) were unable to establish a direct link between the degree of individualism and the degree of organisational commitment among their subjects, recent American college graduates.

Instead they found that subjects with high collectivism who received highly valued rewards (in this case high pay and a high degree of autonomy) reported a high degree of organisational commitment. Conversely, subjects with high collectivism who did not receive these highly valued rewards were found to be low in organisational commitment. This study highlighted the importance of the tangible and intangible rewards that employees receive and their degree of organisational commitment.

The reviewed literature also indicates that only a few studies have tested multiple commitments in a cross-cultural setting. This is confirmed by Cohen (2006) in his study of multiple forms of commitment in relation to national cultures. His studies, however, were focused on multiple ethnic groups within one nation.

This study will narrow the focus on the connection between national culture and employee work commitment to focus specifically on the connection between the cultural dimension of individualism versus collectivism and organisational and professional commitment. In keeping with this, Schneider (1989) and Schneider and

Meyer (1991) propose that individualism influences the internal integration process of a firm's relationship with its employees.

Both Pines and Zaidman (2003) and Ronen and Shenkar (1985) have also identified connections between the level of individualism and the degree of harmony, cooperation, commitment, support, and a sense of belonging, all of which are related to the concept of organisational commitment. These studies, while not specifically focused on the relationship between individualism versus collectivism and levels of organisational and professional commitment, certainly lend support to the notion that there is a relationship between these variables.

Moving further, it has been firmly established that Western cultures are highly individualistic in nature (Cohen, 2006; Hofstede, 1989; Ronen & Shenkar, 1985; Toren, 1991). As described in Chapter 3, organisations in individualistic societies carry out a number of practices geared towards the individual, including attempting to honour individual preference and choice, evaluating and rewarding individual employee performance, and designing the flow of work so that individual work is the norm.

As individualistic cultures put the needs of the individual before the needs of the group, it seems plausible that employees in individualistic cultures are conditioned to put their needs before those of the organisation. This lends support to the notion that Western managers are likely to have a higher level of professional commitment and a lower level of organisational commitment than Saudi managers, who operate in a highly collectivist atmosphere (Hofstede, 2001).

However, there are no studies as per my knowledge which have explored these influences in the Saudi Arabian context within the IJV setting where strong collectivist orientations, rooted in Islamic and Bedouin values, prevail (Al-Meer, 1989; Hikson & Pough, 2002; Hofstede, 1993; Scasbrough, 2001).

As described in Chapter 3, collectivist cultures put the needs of the group ahead of the needs of the individual, and this can clearly be seen in Saudi Arabian society. As determinants of culture, Bedouin and Islamic values uphold personal sacrifices on behalf of the betterment of the group and loyalty to the group takes precedence over other practices (Hikson and Pugh, 2002; Scarborough, 2001).

#### **4.5 Conclusion**

Hence, in summation, this study will pursue its main purpose of examining and testing the connection between national culture and employee work commitments in the context of Western and Saudi cultures. The study will also examine whether interrelations and interactions between employees from different cultural orientations such as those which exist in Western–Saudi IJVs can alter and change the level of commitment orientations of employees from different nationalities. Chapter 5 will focus on presenting the hypotheses to be tested as well as the research design and methods to be used in this study.



## **5. Conceptual Framework and Research Methodology**

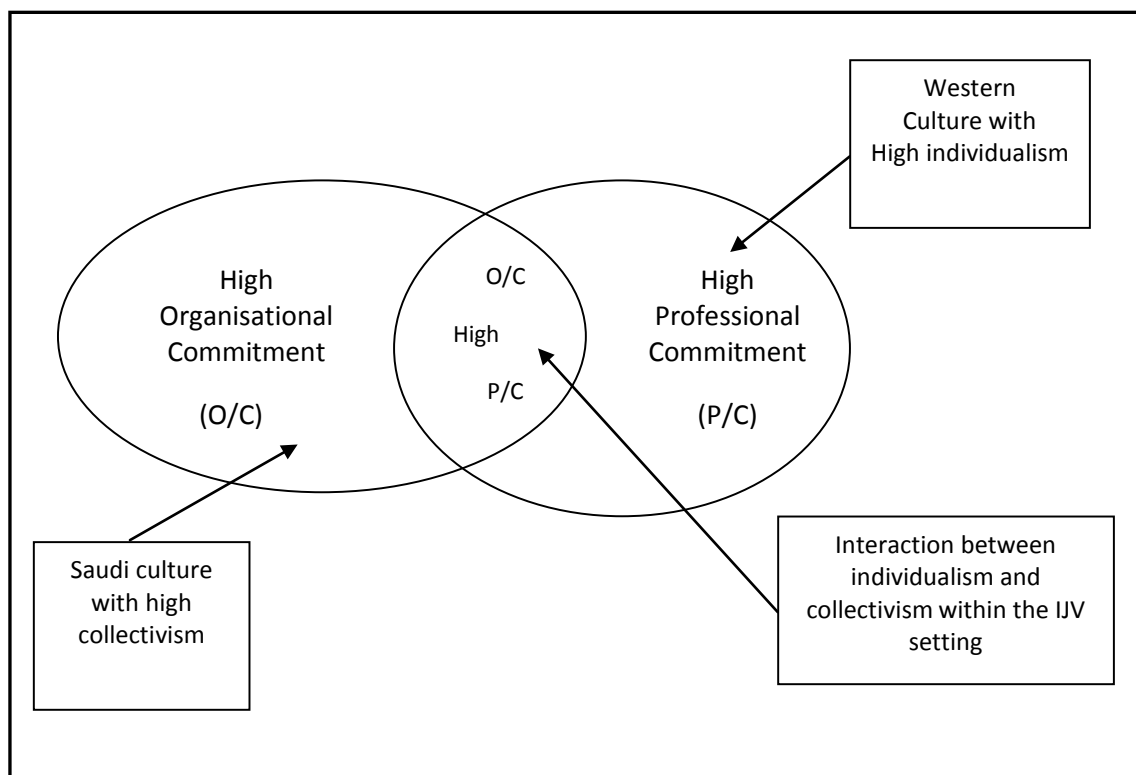
### **5.1 Introduction**

Chapter 2 presented context and theory relative to international organisations in general, and in Saudi Arabia in particular. Chapters 3 and 4 explored the existing literature on the concepts of national culture and commitment, focusing on theoretical frameworks, definitions, and the models of employee commitment. In the present chapter, the conceptual framework of the present research is discussed, followed by a discussion of the research design and methodology. Included are discussions of the reliability and validity of the measurement instruments and discussion of the data analysis methods. The sampling strategy, the data gathering techniques, ethical considerations, and limitations are also discussed.

### **5.2 Theoretical Framework and Research Hypotheses**

The theoretical link between national culture and commitment (organisational and professional), lies in the relationships among attitudes and values common to the formation of these constructs. National culture shapes people's beliefs, work values and attitudes, which in turn influence the forms of commitment that people exhibit in the workplace (Smith et al., 1996). According to Black (1999, p 390), "*culture influences employees' work effort and commitment, both directly through cultural values and attitudes; and indirectly through its impact on human resources practices.*" With regard to beliefs, national culture can provide a strong influence on individuals' beliefs, including that of trust (Doney et al., 1998) and managerial work values (Ralston et al., 1997).

Cohen (2006, p 107) also stated that “employees’ commitment could be predicted on the basis of cultural dimensions.” Figure 3 provides the research model based on the above theoretical premise, which was also derived from the substantial literature review conducted by the researcher. While not specifically studied, the organizational culture of IJVs does serve to play a role in this model. However, this role will be limited by focusing instead upon cultural differences with regard to the analyses conducted and by attempting to obtain a broad sample of IJVs.



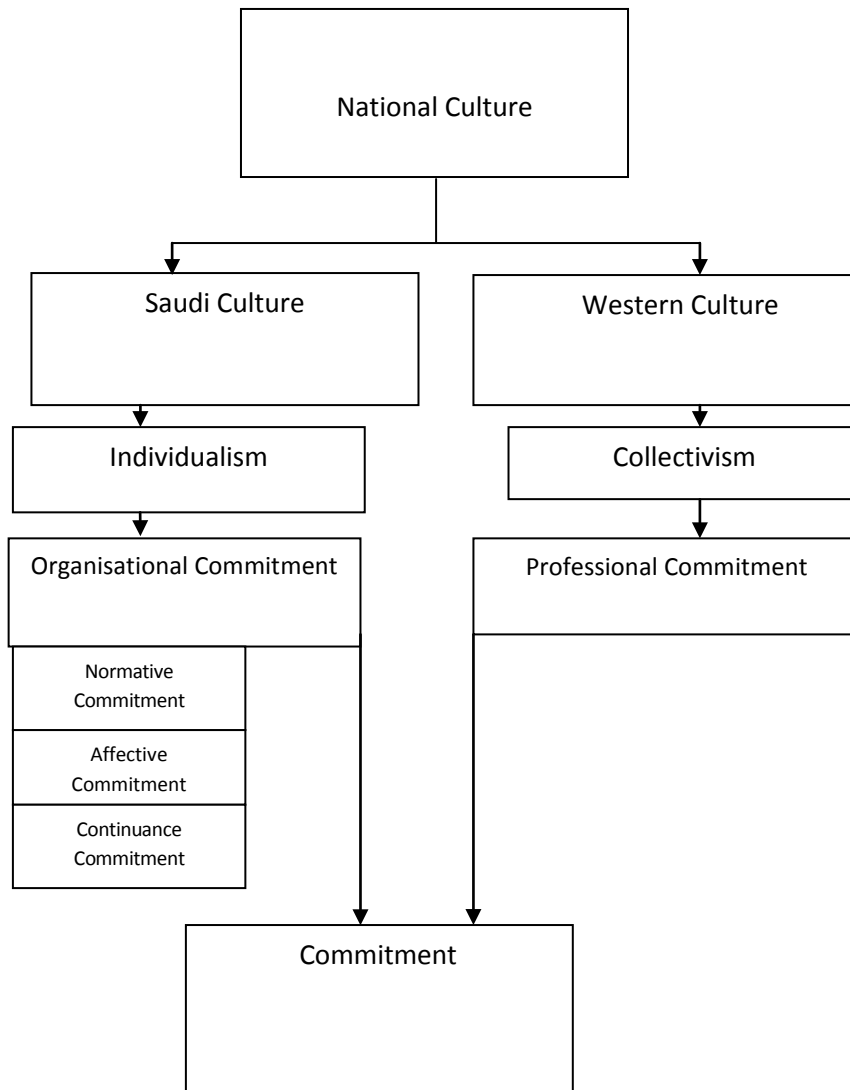
*Figure 3.* The research model linking culture and commitment.

National culture prompts its members to share beliefs, values, and attitudes. This suggests that commitment may develop through the dynamic effects of national culture, as discussed in detail in the previous chapter. This implies that cultural values

such as collectivism and individualism influence professional and organisational commitment. Additionally, Schneider (1989) and Schneider and Meyer (1991) proposed that individualism and power distance influence the internal integration process which affects a firm's relationship with its employees.

Overall, based on a review of the literature, it can be hypothesised that individualism or collectivism dimensions influence the form of commitment and strength of commitment. The literature review suggests that national culture is a forecaster of levels of commitment in the organisation, and diverse cultures will produce different levels of the various types of commitment. These views are supported by Cohen (2003) and Clugston et al (2000).

The integration of national culture and forms of commitment indicate that relationships exist between these variables, as discussed above. However, an empirical study is needed to further determine the nature of the correlation of these two variables. This study, therefore, aims to provide empirical evidence on the nature of the relationship between these variables. Figure 4 summarizes the presumed relationships between the constructs of national culture and employee commitment in the measurement model of the study. Within this model, national culture is broken down into the categories of Saudi culture and Western culture, with Saudi culture being collectivist, and Western culture represented as being individualist. National culture is also modelled as relating to commitment, with commitment being categorized as either organizational or professional commitment. Organizational commitment is then itself broken down into affective commitment, normative commitment, and continuance commitment.



*Figure 4.* The measurement model for the study variables.

Western IJVs that operate in a collectivistic culture such as Saudi Arabia may have to manage the needs of both professionally committed personnel and organisationally committed personnel within the same workforce. Within a Western-Saudi IJV, the Western managers are likely to be from more individualistic cultures and the local Saudis will have a highly collectivistic cultural background.

This leads to the following two hypotheses:

**Hypothesis 1:** Managers from the collectivist Saudi culture will demonstrate higher levels of organisational commitment than Western managers within IJV settings in Saudi Arabia.

**Hypothesis 2:** Managers from individualistic Western cultures will demonstrate higher levels of professional commitment than Saudi managers within IJV settings in Saudi Arabia.

A review of the existing literature does not provide any empirical evidence in the context of Western-Saudi IJVs to identify whether there is a difference in the levels of commitment between Westerners and Saudis. However, before testing these two hypotheses, another two independent variables need to be empirically explored in order to validate these above two hypotheses. These two independent variables are collectivism and individualism, which is a component of this study carried out using Hofstede's scale measurement for individualism and collectivism.

This study empirically tests the validity of the above two hypotheses within the context of Western-Saudi IJVs. Although the link between culture and employment commitment has already been established by other scholars (as discussed in the literature review), it has not been tested in the Saudi Arabian context. The focus of Hypotheses 1 and 2 is therefore to investigate this link further in relation to Saudi Arabian culture, which can add empirically valuable knowledge that will facilitate the emerging cross-cultural global collaborations between Saudi Arabia and rest of the world.

It is further hypothesised that Saudi managers in Western-Saudi IJVs exhibit higher levels of professional commitment as compared with Saudi managers in purely domestic organisations. This is seen as a direct result of being exposed to an environment of multiple commitment forms where their Western colleagues may exhibit predominantly high professional commitment. This hypothesis is extended with the theoretical perspective that values are adaptable and convergent to a certain level (Hofstede, 2001, 2007; Cohen, 2006). Therefore, as a result of the interaction with their Western counterparts and as a result of being exposed to Western values, the working practices and attitudes of Saudi managers who work within IJVs are likely to change. This should be seen in their level of professional commitment being higher than that of Saudi managers who work for domestic Saudi firms.

This leads to the following hypothesis:

**Hypothesis 3:** Saudis in Western-Saudi IJVs will have a higher level of professional commitment than Saudis in purely Saudi organisations.

Hypothesis 3 is viewed as the most important hypothesis of the study because it could add valuable empirically tested knowledge to the field of international business in Saudi Arabia and also establish the benefits of cross-cultural exposure. This hypothesis is extended with the theoretical perspective that values are adaptable and convergent to a certain level (Hofstede, 2001, 2007; Fatehi, 2008; Cohen, 2006).

Therefore, as a result of the interaction with their Western counterparts and being exposed to Western values, working practices and attitudes of Saudi managers who work within IJVs in such a manner are likely to change in that their level of professional commitment will be higher than that of those Saudi managers who are

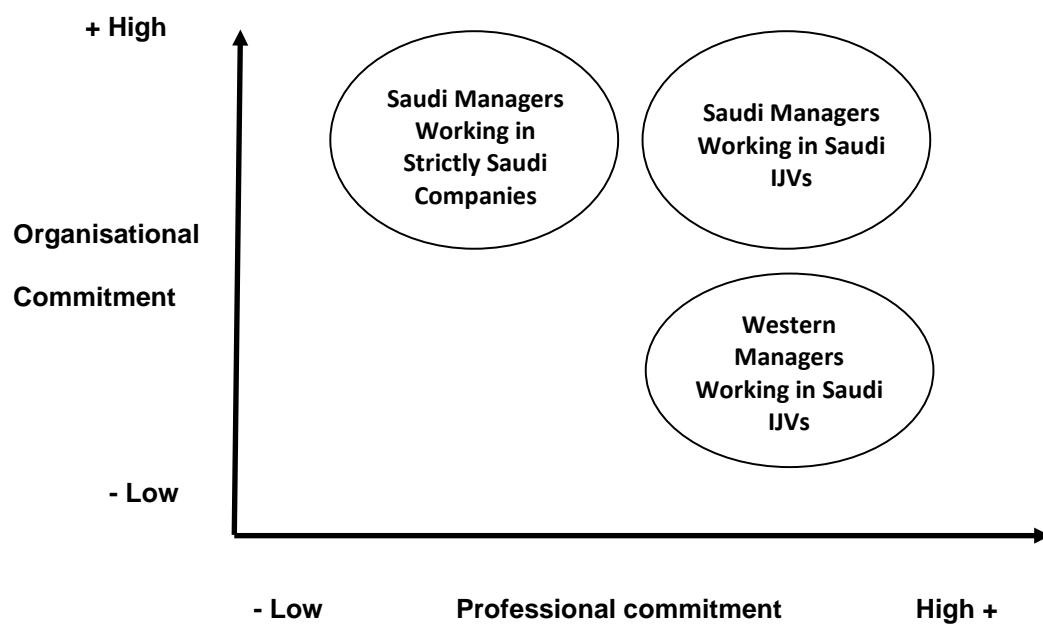
from domestic Saudi firms, although their dominant form of commitment may still remain to be to the organisation.

**Hypothesis 4:** Western managers who have had previous expatriate experience in collectivist cultures will have a higher level of organisational commitment than their western colleagues who haven't had such experience.

Hypothesis 4 is proposed with the recognition that while a majority of Western managers may have a greater level of professional commitment due to the influence of high individualism in their native cultures, there will be some Western managers who may have dominant or equally strong organisation commitments. This may emerge as a result of the fact that they have previously worked for long amounts of time in their IJVs or foreign companies based in collectivist cultures and therefore may have acquired such values.

For instance, an American manager who may have worked in China or in a Japanese joint venture for a long time may have absorbed some of the values of these cultures, shifting his commitment toward stronger organisation commitments. Such a manager may have been chosen to be posted to a Saudi Arabian IJV specifically because of his cultural adaptability, an often encountered quality of successful expatriates. The Western manager in such a case may well display stronger organisational commitment than his other Western counterparts who have not been previously exposed to collectivist cultures which this study is going to reveal. Figure 5 illustrates the proposed interaction between cultures that influence the level of commitment of the Western and Saudi managers within the IJV setting compared with those who work in purely Saudi companies.

This model hypothesises that Saudi managers working in strictly Saudi companies or Saudi IJVs will have the highest levels of organizational commitment, while Western managers working in Saudi IJVs will have lower scores on organizational commitment. This hypothesis is derived from previous literature which has found that Saudi culture is more collectivist, inferring that Saudis will have higher levels of organizational commitment, while Western culture is more individualist, suggesting that Westerners will have lower scores on organizational commitment. This will be tested in the current study by using Hofstede's survey to explore whether or not the current literature in the area can be generalized to the IJV setting.



*Figure 5. Differences in Commitment forms and levels of Saudi managers working in IJVs vs. those working in a purely Saudi company.*

Hypothesis 5 parallels Hypothesis 4 in the sense that a Saudi may develop a higher level of professional commitment due to foreign education in a Western



country or exposure to Western values by working in a Western IJV, which this study will explore empirically.

**Hypothesis 5:** Saudi managers who have had previous expatriate experience in individualistic cultures will have a higher level of professional commitment than their Saudi colleagues who have not had such experience.

The fourth and fifth hypotheses will provide useful findings for Saudi IJVs as well as IJV management in general as it will solidify the already established knowledge that suggests that previous experience is a critical criterion in selecting effective expatriates (Hill, 2003; Mendenhall & Oddou, 1985; Stahl et al., 2002).

In addition, Hypothesis 5 has the potential to provide knowledge that is important for local Saudi firms that aim to promote professional development in their employees. Such knowledge can help practitioners decide on the level of effect that cross cultural interactions and foreign exposure will have on employees.

Additionally, a second survey was also administered focusing upon measures of culture. The focus of this study was to definitively determine whether cultural differences exist, using Hofstede's scale, between Saudis working in IJVs, Saudis working in Saudi companies, and Westerners working in IJVs. Two separate surveys were utilized within this research study in order to give respondents sufficient time and ability to fully answer each survey question accurately, as it was felt that including all questions of interest in a single survey may have required too substantial a set of time for respondents. Previous research has indicated that surveys which are too long may impact the quality of the data collected (Burchell & Marsh, 1992).

### **5.3 Study Variables**

This sub-section discusses some of the key terms and study variables (independent and dependent) used in this research. As all of these variables have been defined and discussed in detail in the literature review chapter, the following is a brief overview.

#### **5.3.1 National Culture**

Among the numerous perspectives of culture, a common consensus lies in the understanding that culture is a key factor in gaining an insight into how people behave in different countries, and is crucial in shaping a person's preferences, attitudes, values, and beliefs (Fatehi, 2008; Hofstede, 2007; Briscoe, & Schuler, 1995). National culture may affect the manner in which people commit to their workplaces (Cohen, 2003).

#### **5.3.2 Collectivism / Individualism**

It has been stated that the difference between collectivism and individualism is the primary component of cultural variability (Hofstede, 2001). Individualism focuses upon the importance of personal issues, while collectivism is associated with the concept of "*impersonality*," in which the existence of individuals is not stressed. While cultures that can be described as individualistic emphasize individual goals over the goals of the group, collectivist cultures instead focus on group goals as opposed to individual goals. Within collectivist cultures, individuals are members of "*collectives*" or "*in-groups*" which serve to provide for them in exchange for their loyalty (Hofstede, 2001).

### 5.3.3 Organisational Commitment

The construct of Organisational Commitment is an attachment or an affective commitment which the employee forms towards his or her organisation over a period of time. Within this perspective, integration between organisational values and the individuals' own values that have been acquired from his national culture forms a linkage that supports organisational commitment (Cohen, 2003). Organisational commitment is also perceived as a three-dimensional construct containing an affective dimension, a continuance dimension, and a normative dimension (Meyer & Allen, 1984).

### 5.3.4 Professional Commitment

The literature uses the ideas of professional, vocational, occupational, or career commitment in an interchangeable manner (Chang, 1999). While the study recognises the interchangeable usage of these terms, the term “*professional commitment*” is used within this study. Various perspectives on professional commitment have been discussed in the literature review.

Professional commitment focuses on an individual's “*devotion to a craft, occupation, or profession apart from any specific work environment, over an extended period of time*” (Morrow, 1983, p 490). This form of commitment has a much more specific focus than “work in general” and has a broader reference than “job” (Blau, 1985, 2003).

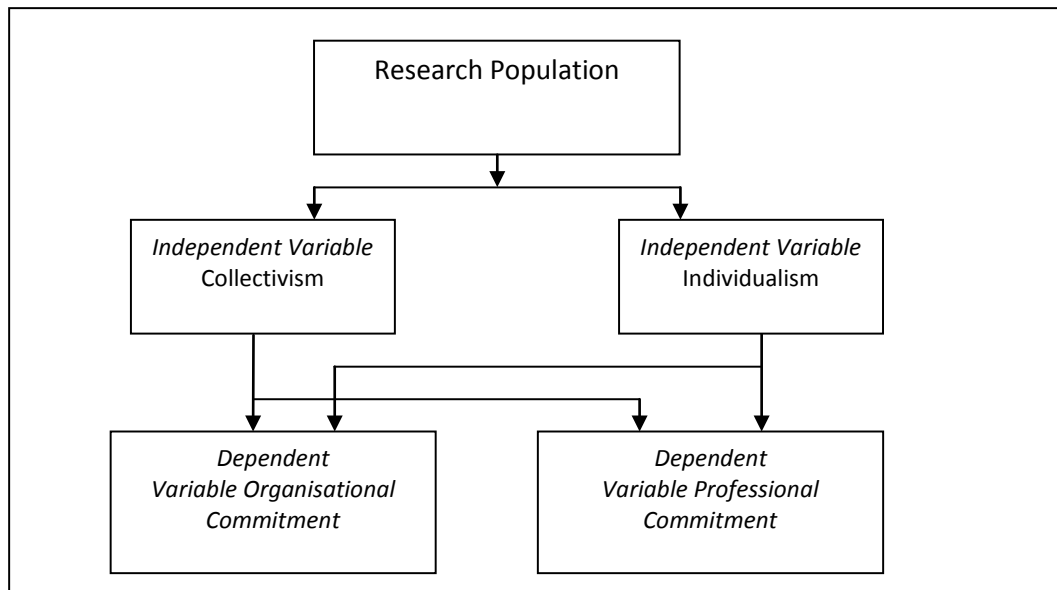
### **5.3.5 Culture**

The second study conducted used Hofstede's measure of individualism/collectivism in order to measure culture. Demographic measures were included, which consisted of sex, nationality, Western region, date of birth, current job experience, position, working outside the home country, education, country, and outside country experience.

In addition to this, 14 questions were included derived from Hofstede's study focusing upon individualism and collectivism. All 14 of these measures were measured using a five-point Likert scale. The mean of these 14 measures was calculated in order to determine a single measure of individualism/collectivism used in later analyses.

## **5.4 Operationalizing the Study Variables**

The study focuses on three different populations, namely Saudi managers from Saudi companies, Western managers from IJVs, and Saudi managers from IJVs. Individualism and collectivism are included as the causal factors or independent variables (representing differences in national culture). The dependent variables are included as measures of organisational commitment and professional commitment. Figure 6 provides the conceptual framework of the study and the model, which operationalises the study constructs and variables.



*Figure 6.* Operationalizing the conceptual framework of the study.

## 5.5 Study Methodology

This section discusses the methodology used to test the five hypotheses listed above. It also outlines the research design, sample selection, study variables, instruments, reliability and validity, data collection, and data analysis.

### 5.5.1 Alternative Research Approaches

Depending on the nature of the problems and knowledge being sought, the appropriate research methods will vary. In research, there are two main broad methodologies in social science within which research can take place, which include quantitative and qualitative.

Social sciences studies have made use of both quantitative and qualitative research methods. The main feature which sets qualitative research apart from quantitative research is that qualitative research is inductive and descriptive.

The objective quantitative approach involves strict and systematic procedures in which mathematical statistics are used to compute or measure events and determine results. It uses tests and focuses upon cause and consequence relationships (Bums & Grove, 1987). The qualitative approach to the process is different, and the objective is to develop hypotheses inductively and usually does not use mathematical equations and procedures, but instead describes the observations of the research (Leach 1990). Quantitative research is well thought-out and more reliable than qualitative investigation. This is because a quantitative approach aims to manage or remove unrelated variables within the structure of the study, and the data produced can also be assessed by standardised testing (Duffy, 1986). Nevertheless, one can query the reliability of quantitative research, especially when the data have collected naturally, or if there have been random or accidental events (Comer, 1991). The reliability of qualitative research is lower due to the fact that the procedure is below-standardised and depends on the judgment and the capability of the observer, thus making an assessment of reliability difficult (Dufiy, 1985).

The aim is to gain a subjective understanding of the manner in which people feel, their attitudes, behaviours, and perspectives (Gay & Airasian, 2003; Hall et al, 2004). However, qualitative information can be used to shed further light on already established relationships which may have used quantitative techniques (Hakim, 2000). While quantitative research can provide empirical results that can be generalised to larger populations, qualitative analysis can provide a more in-depth

view of specific populations of individuals. Both of these two research methods are appropriate depending on the research questions and hypotheses included in the study, as well as the overarching goals of the study.

Research questions and hypotheses can potentially require a quantitative or qualitative study, as well as a mixed-methods study, while the goal of the researcher may be to focus upon generalisation and external validity or have goals relating to an in-depth analysis of a particular topic or population which may necessitate a qualitative analysis. In social science studies, “*mixed methods*” of these two approaches combined can generate facts that are extra socially practical and can add to additional valuable procedures (Marsland et al, 1998; White, 2002; Kanbur, 2003; Hulme & Toye, 2006).

With regard to the current study, the research questions and hypotheses included were of a nature which necessitated a quantitative analysis. In order to definitively determine whether the study’s hypotheses were supported or not, an empirical study was required which necessitated the use of statistical analysis. Future studies, incorporating both qualitative as well as quantitative analysis, may provide a stronger approach and add to the reliability and validity of the results obtained.

### **5.5.2 Research Methods**

Given that the review of existing literature has provided a series of hypotheses related to cultural attitudes and employment-related commitments, the use of quantitative methods as a starting point appears most justified in an attempt to

validate (or invalidate) the hypotheses. As noted in an earlier section, quantitative analysis has traditionally been used to carry out deductive research.

The key objectives are to investigate the relationship between cultural orientations of western and Saudi managers and their levels of commitment. These objectives suggest the hypotheses listed above, which require testing. Therefore, the study is deductive in nature.

The research design for the study is a quantitative empirical study that uses a non-experimental research design based on a survey instrument and statistical analysis to study the relationships between culture and employee commitment. An important advantage of quantitative research is that depending upon the sampling method used, the size of the sample, as well as additional features, it can provide findings that can be generalised from the sample to the sampled population and permits the formulation of statements that relate (in a general sense) to all the members of the population.

### **5.5.3 Population and Sample**

#### ***5.5.3.1 Population***

The research setting proposed for this study includes nine Western-Saudi International Joint Venture (IJV) firms operating in the petrochemical industry in Saudi Arabia and nine purely Saudi firms operating in the same industry. Only IJVs of the petrochemical industry were focused upon in this study as this industry is where the majority of the IJVs can be found due to the history of oil production in Saudi Arabia and its petrochemical products. As industry has been found to influence



organisational culture (Fatehi, 2001; Hostede, 2001), the choice of domestic and IJV firms within one industry was made in order to minimize organisational culture differences.

The limitation of not having identical organisational cultures among the IJVs within the study is acknowledged. However, as organisational culture is an outcome of many external and internal elements, and industry is only one of them, complete homogeneity in this context is probably impossible to achieve. For the purpose of this study, all IJVs or other companies that come from the USA and Western European countries are taken to represent a single grouping of “Western” national culture that holds high individualistic values. A potential limitation of this study relates to the fact that Western respondents from various countries are grouped together in a single sample. If individuals from different Western countries do in fact differ substantially on a cultural basis, this may make it more difficult to find significant results when comparing this group of respondents with Saudi respondents. Furthermore, this may serve to reduce the reliability of the study as the results found when comparing Saudis and Westerners may not be able to be appropriately applied to specific Western countries. However, a second component of this study focusing more specifically on culture was conducted in order to ensure that there were clear cultural differences between all three groups of respondents.

Additionally, with regard to the research questions included in this study, Western culture was treated as a single, homogeneous culture. Previous literature has found this treatment to be appropriate (Bova and Kroth, 2001; Spier, 2002). Within the survey used for this study, organizational culture was focused upon specifically by tailoring questions to focus upon the organization and issues related to the

organization, as opposed to more general questions focusing upon national culture. Furthermore, it was impossible in this study, or in general, to disentangle the relationship between organizational culture and national culture for the purposes of this study. This also constitutes a limitation of the current study.

Although Western European nations tend to be highly diverse in terms of attitudes and values, a shared cultural heritage of Christianity, democratic governance at different levels, and a commitment to capitalist principles are likely to underpin behaviours, attitudes, and values that converge when compared to behaviours, attitudes, and values of individuals coming from other parts of the world, in this case the Arabian Peninsula. Of course, American culture and society are deeply indebted to a European cultural heritage, as are also Australian culture and society (Cohen, 2006).

Purely Saudi companies will be the comparative population for some of the study's hypotheses. Saudi managers from purely Saudi firms offer a study population that does not have the cross-cultural interactions that are present in an IJV setting.

#### **5.5.3.2 *Sample***

The sampling strategy is a crucial component of the research design, playing a key role in terms of validity (Morrison, 1993). The issue of sampling should be well grounded in the definition of the population on which the research will focus (Cohen et al, 2000). Cohen and Holliday (1979) describe the study population as more than just a collection of people and discuss it as a large collection of objects or events

which vary in respect to some particular characteristic relevant for the research endeavour (Cohen & Holliday, 1979).

A sample is a “*selection from the population*” that is held to reflect the wider composition of the population at large (Robson, 2002). Representative sampling is a key stone of quantitative analysis and is often informed by statistical analysis.

The logic of sampling is predicated on the impossibility of surveying the entire population due to resource limitations. The sample is a subset of the population of interest defined in such a way as to exhibit the same composition (based on the chosen features) as the population at large (Hinton, 1995).

#### ***5.5.3.3 Types of sampling***

Identifying the total target population and then working down to a manageable sample subset is the appropriate method of drawing a representative sample. There are two main types of sampling, often referred to as probability and non-probability sampling (Cohen, 2000; Cohen & Morrison, 2000).

In non-probability sampling, the subjects of the research are chosen according to the researcher’s own personal decisions and convenience. Non-probability samples are often used when the population studied is different in some way to the population at large (e.g., people with a particular disability, people in a particular age group, people with a particular consumption preference, etc.). The main disadvantage of this type of sampling is that it reduces the reliability of the study due to possible non-representativeness, and thus the findings cannot be reliably generalized beyond the boundaries of the particular group that was sampled (Cohen et al., 2000).

In contrast, in probability sampling, every element of the population has an equal chance or an equal probability of being selected to be in the sample. This facilitates the generalization of the study findings to the whole population.

Stratified random sampling is applied when there are several subpopulations within the sampling population. Under this approach, the researcher splits the population into groups called strata and respondents are randomly selected from each stratum (Hinkel et al, 2003). This present research used stratified random sampling to ensure equal distribution from three subpopulations or strata; Saudi managers and Western managers within the IJVs, and Saudi managers from purely Saudi domestic companies. In this manner, equal representation is made of the three groups within the sample which avoids overloading the final sample with some subpopulations (Hinkel et al., 2003).

The main purpose of the use of stratified random sampling with regard to this current study was in order to try to achieve equal subpopulations for each of these three groups of respondents, such that all statistical analyses conducted would have the maximum possible power and likelihood of achieving a statistically significant result through having larger groups of equal size. Groups of similar size were achieved, though as expected, groups of exactly equivalent sizes were not able to be achieved in this study. However, stratified sampling was ~~not~~ used with regard to ~~any~~ some of the demographic variables included in this study, and these included gender (at least 20% female), position (at least 50% administration and 50% Engineers), and date of birth (at least 30% born after 1981 and at least 30% born between 1950 and 1980), while it was the aim of this study to achieve a representative sample.

Additionally, with regard to representativeness, it may be possible that self-selection presented itself as a bias within the current study.

#### ***5.5.3.4 Sampling Frame***

The first sampling frame used in this study is a list of the nine largest Western-Saudi IJVs operating in the petrochemical industry in Saudi Arabia at the time of the study based upon the number of employees. The second sampling frame is a list of the nine largest domestic Saudi firms operating in the petro-chemical industry in Saudi Arabia at the time of the study.

#### ***5.5.3.5 Sample size***

The size of the sample is another key consideration in planning the research methodology. Depending on the size of the research population, a smaller or larger sample may be taken in order to maintain representativeness and statistical accuracy in the analysis. While there are more general means of establishing the appropriate size for a sample, Gay and Diehl (1992) state that acceptable numbers largely depend upon the type of research being carried out. To arrive at a supportable sample size decision, researchers often use the well-established table by Krejcie and Morgan (1970). This table allows the researcher to determine the sample size that will enable computing percentages in the sample that will have a given accuracy for a given percentage of the time. Often researchers opt for a sample size that will yield estimates of the percentage of the population that has a particular attribute so that these percentages will be accurate within 5% in 95% of the times that the survey is conducted (Niles, 2006). An adaptation of the table developed by Krejcie and Morgan

(1970, p 608), can be found in Appendix A. This table provides the required sample size for estimates of population percentages to be accurate within 5% in 95% of the times that the sample is selected.

#### ***5.5.3.6 Study sample***

In this research, the total population of the Saudi-Western Joint Ventures and pure Saudi companies is approximately 8,000 employees in 18 companies (See Appendix B for a list of companies). Thus, to achieve a 95% confidence level with 5% sampling error in the findings, the sample size for the final study should be 360-400 respondents. To decrease the margin of error from 5% to 4%, Rea and Parker (1997) suggested a population of around 600. In fact, these sample sizes are the net sample size required after reducing non-responses; they are not the number of surveys that are initially distributed. In addition, more respondents were added to take account of the response rates observed in the pilot study. Accordingly, the researcher set a goal of 850 net respondents for the final study for the cultural and commitment surveys that will be drawn in proportion to the number of employees in the three groups.

#### ***5.5.3.7 Selection criteria***

The eligibility criteria applied in selecting the sample were:

1. The employee should hold a Bachelors degree or above in terms of their educational qualification.

2. The employee must be a full-time employee. This criterion was applied as those who are employed on a temporary basis may have different levels of commitment to the organisations than those who are in permanent positions (Jalonen, et al, 2006).
3. The employee must have been employed by the organisation for at least one year. This criterion is used because commitment is presumed to strengthen over time and thus a short span of employment is insufficient for gauging an employee's commitment level (Vandenberg & Self, 1993; Martin and Hafer,1995).
4. Employees should hold a managerial post, i.e., be in a senior, middle-level, or junior manager position. They are people who manage the operations of the company at different levels—from strategic to operational and functional levels. In some cases, some of the personnel positions do not carry managerial titles, but are in fact managerial positions. For the purpose of this study, the term “manager” will refer to all employees with a managerial title and those who hold a senior engineer or engineer title.

#### **5.5.4 Data Collection**

The data collection for the study was carried out through a questionnaire survey. Remenyi et al (1998) described a survey as involving the collection of data from a large number of people or a population and that this information has the potential to be used for description, explanation, or hypothesis testing. Ary et al (2002) recommend survey research as an appropriate technique for measuring characteristics of different groups or for measuring attitudes and opinions of these groups toward particular social issues and phenomena.

According to Robson (2002), a survey is more than a research tool as it will influence the total research strategy (i.e., an overall approach to doing social research, including the data analysis and the validation of hypotheses). A survey can be conducted in several ways, including face-to-face interviews; postal questionnaires, which are self administered (Bourque and Fielder, 2003; Oppenheim, 1992) phone interviews; or, more recently, online surveys. A survey has the benefit of being economical, less time-consuming, and allowing for the targeting of a larger sample. It is also seen as facilitating generalization and standardization. A survey questionnaire is easy to administer, as well as being suitable for statistical analysis (Hammersley, 1995).

#### ***5.5.4.1 National culture and Organisational culture***

National and organisational cultures have a stronger influence in business, as due to the impact of globalisation, multinational firms are increasing, resulting in a rising number of clashes based upon cultural misunderstanding, which not only harmfully affects the working environment, but also the performance of the company affected. Academic research on understanding the behaviour of national and organisational culture should seek the improvement of the work environment within cross-cultural settings, though it remains difficult to find a methodology that exactly separates the influence of these two cultures in business connections within multinational companies.

Gabor (2009) has described the relation between national culture and organisational culture as the heart and brain: *“The heart is the national culture which hails from emotional actions and much more stable than the other. The brain is the organizational culture which is a “made-culture” because it was created by the*



*founder of organization*” (Gabor, 2009. P 1). In my opinion, this is an excellent connection that sheds light on the relationships between these two cultures, because culture is a set of values that the person acquired. National culture constitutes the values that form the person’s behaviour in the sense of dealing with others.

On the other hand, organisational culture constitutes the values and behaviour that organisations set for their employees for daily business activities. We can possibly realise that the employee can change his job and transfer to another job with a new organisational culture and flexibly can adapt as the brain can recognise the new organisational values of the new company and adapt to it. However, it is not easy to change national culture values as these values are very steady all through life.

Thus, within the research survey I acknowledge that the influence of organisational culture might present within the data which will be part of this study’s limitations. However, the effect of organizational culture will be focused upon specifically by tailoring questions to focus upon the organization and issues related to the organization, as opposed to more general questions focusing upon national culture values, which will reduce the effect of organisational culture in this study.

Existing literature has previously established that Western cultures are high in the cultural dimension of individualism, while the Saudi culture is high in the cultural dimension of collectivism (Askary et al., 2008; At-Twairji & Al-Muhaiza, 1996;; House, et. al, 2004; Cohen, 2006; Hofstede, 1980, 2001; Ronen & Shenkar, 1985; Toren, 1991). The study explored the organisational commitment levels and professional commitment levels of these two samples within the same context and work environment of an IJV. The literature suggests that even when a single organisational culture is shared by all members of that organisation, there will be differences in people’s responses due to the background culture which has influenced

each of them to see the world in a particular way, and to react to the same environment in ways that reflect their original culture.

#### ***5.5.4.2 Accessing respondents***

The targeted IJV and Saudi companies were formally approached with a letter of request for granting approval to conduct the research study, addressed to the head of each company's human resources division. The overviews of the research and the study questions and objectives have been explained to the management. Self-administered questionnaires were hand-delivered and mailed to the head of the administrative division to be circulated to the selected respondents. Hand-delivered questionnaires accompanied by a stamped envelope were returned to the researcher.

A personalised letter was attached to the questionnaire “*giving clear explanation of the purpose of the study*” and encouraging the answering and returning of surveys (Anderson, 2004, p 220).

#### ***5.5.4.3 Ethical considerations***

In order to avoid any violation of privacy and to safeguard the anonymity and confidentiality of the respondents, no personal contacts were made with the respondents. The questionnaires did not require any identification details.

The head of the human resource division circulated the questionnaires to the respondents directly and collected them back or gave respondents the choice of mailing the questionnaire directly to the researcher using the self-addressed and stamped envelope.

### **5.5.5. Research Measures**

In order to gather data relevant to the two dependent variables to be measured in this study, specifically organisational commitment and professional commitment, a questionnaire was developed.

This questionnaire incorporated Meyer and Allen's organisational commitment scale (2004) as well as Blau's professional commitment scale (2003, 2009). Blau's (2009) scale was in fact an adaptation of the Blau (2003) scale which has been used in the context of medical technology, but some of the items were deleted for the current study to refer to a generic profession. The author obtained permission to use these scales from Dr. Blau and Dr. Meyer (See Appendix C). Hofstede's (1980) survey was used in order to measure collectivism/individualism for Saudis and Westerners in this study. Additionally, as the target respondent consisted of managers in industry companies, and based on results obtained from the pilot survey, the study was administered in English for both IJV as well as domestic companies for the culture and commitment surveys.

#### ***5.5.5.1 Organisational commitment measure***

There are few established alternatives for measuring organisational commitment. Most of the scales were developed with the use of Porter's (1974) OCQ (Organisational Commitment Questionnaire) as a basis. However, Allen and Meyer (1997) proposed an alternative approach with their instrument based on their three component model of organisational commitment (1991), these three components being: affective commitment, normative commitment, and continuance commitment.

Meyer and Allen's measure of organisational commitment remains one of the most widely used and validated measures in the area of organisational commitment (Cohen, 2007; Hattrup et al., 2008; Kareem & Noor, 2006; Solinger et al., 2008; Williamson et al, 2009). Other research, including Hawkins (2005), Felfe et al (2008), and Gelade et al (2008), lends support to the notion that each of the three dimensions of organisational commitment has different antecedents. Therefore, it was their view that organisational commitment cannot be fully gauged by an instrument such as the OCQ, which focuses solely on the affective aspect of organisational commitment, and does not take into account the continuance and normative aspects. Because of this, the Meyer and Allen instrument was selected for the present research. The instrument developed by Meyer and Allen (2004) consists of three subscales: the affective commitment scale (ACS), the normative commitment scale (NCS), and the continuance commitment scale (CCS).

Each subscale consists of six items, and the respondent is asked to rate each item on a seven-point "Likert" scale with the possible responses being *strongly disagree*, *slightly disagree*, *neutral*, *slightly agree*, *agree*, and *strongly agree*.

Construct validity of each subscale is acceptably high. The validity and reliability of the scales were acceptably high by many researchers. According to Nicholson (2009), in his thesis study of organisational commitment and turnover intentions, the Cronbach's alpha was .83 for the ACS, .77 for CCS and .90 for NCS respectively. Also, the Cronbach's alpha was .85 for the ACS, .73 for the NCS, and .79 for the CCS respectively (Meyer & Allen, 1997, p 120).

#### **5.5.5.2 Professional commitment measure**

While the focus of commitment measures were initially on organisational commitment, there is an increased interest in professional commitment, and hence on instruments for measuring this form of commitment (Blau, 2003; Hoff, 2000; Dwyer et al, 2000; Lee et al, 2000; Mencil, 2005; Meyer et al., 1993; Wetzel et al., 1990). For the purpose of the current study, items from Blau's (2009) professional commitment scale were used.

Blau's initial career orientation scale was developed in 1988 and modified in 1993. Blau's scale has been used with slight adaptations by many other researchers, extending its validity and supporting its generalisability (Arnold, 1990, 2005; Aryee et al, 1994; Bedeian et al, 1991; Chartrand & Camp, 1991; Fjortoft & Lee, 1994, Reilly & Orsak, 1991). It was later modified and applied to study the occupation of medical technology in 2003. Cohen (2006) used this scale in his study of the relationship between multiple commitments and organisational citizenship behaviour.

Blau's scale has been found to be reliable with a Cronbach's alpha of .84 (Kadyschuk, 1997, p 36). With a slightly adapted version of Blau's scale, Arnold (1990) used it for measuring predictors of career commitment. Aryee et al (1994) also used Blau's 7-item scale, obtaining an alpha reliability coefficient of .85. In a study by Bedeian et al (1991), the scale yielded an alpha of .84. A factor analysis of Blau's scale yielded "career commitment" as one of the four resulting factors. This factor analysis lends valuable support to previous distinctions between various aspects of commitment including career, affective-organisational, continuance, and normative commitment. Kadyschuk (1997) and Blau et al. (1993), in their continued focus on the subject of professional commitment, have added evidence to support its validity.

Their summarizations of research indicate strong psychometric support for the scale, which was also affirmed by Chartrand and Camp's (1991) studies. Also, David et al. (2006) had yielded a reliability of .89 using Blue's 2004 scale. Blau's professional commitment measure consists of 21 statements, as per deleting 3 items as per 2009 recommendations of Blau, and the respondent is asked to rate each item on a four-point "Likert" scale with the possible responses being *strongly disagree*, *disagree*, *agree*, and *strongly agree*. This version of Blau's 21-item scale was developed with the support of correlation analysis and factor analysis of the variables involved (Blau et al, 2009).

#### ***5.5.5.3 Measures of Cultural Scale of Collectivism and Individualism***

The author will use relevant questions found in Hofstede's (1980) survey to empirically investigate the mean of collectivism/individualism of the employees in Saudi companies and Saudi-Western IJVs, through a questionnaire survey among the same companies selected along with the commitment survey. Hofstede's survey has been accepted for many reasons. First, it contains cultural dimensions that cover and expand key theoretical aspects of culture developed through decades. Soares et al. (2007) also established the significance of the Hofstede cultural dimensions to global business and customer behaviour through a comprehensive review of associated literature. Hofstede's dimensions were empirically tested through IBM employees. According to the Social Science Citation Index, more than 1900 papers referred to Hofstede's efforts (Hofstede, 2001).

De Mooij (2000) and Søndergaard (1994) indicated that the replications of Hofstede's survey confirmed that his works are still valid and reliable across culture and different disciplines. For the above reasons, the author selected the individualism/collectivism survey for this research (see Appendix D - Culture Survey).

#### **5.5.5.4 *Research instrument***

In designing the research instrument used in this study, these pre-existing, widely used, and validated instruments, specifically Meyer and Allen's organisational commitment measure and Blau's professional commitment measure, were chosen to take advantage of their validity and to reduce measurement error (Blau, 2001; Meyer et al, 1993). In addition to that, Hofstede (1980) was chosen to take advantage of its comprehensive reliable measurement for the two national dimensions for this study. Individual demographic questions were also added to the two questionnaires in order to gather such information as the respondent's gender, nationality, age, and the number of years spent at the organisation. A copy of these two questionnaires can be found in Appendix D.

#### **5.5.6 Data Analysis**

The data were copied from the questionnaires into SPSS (Statistical Package for the Social Sciences) and then the univariate distribution of each of the individual items on the questionnaire was examined for data entry errors by generating a frequency table of values and a bar chart for the item. Scale scores for each of the commitment scales were computed by appropriately averaging the relevant item scores according to the rules for computing scale scores, as specified by Meyer and

Allen (2004) and Blau (2003, 2009). The distribution of each scale score was examined numerically by computing the minimum, maximum, mean, and standard deviation. Cronbach's Alpha is a measure of how well the items on a scale "*hang together*." It can be viewed as a measure of the "average" correlation between pairs of items on a scale. It is used as a measure of the consistency or reliability of the items in a scale. Alpha depends upon the number of items in the scale and on the "*inter-item correlations*" and it generally increases if more (sensible) items are added to a scale or if the inter-item correlations become higher. Alpha is not a statistical test but a coefficient of reliability.

Alpha takes account of the correlations between the individual items behind the scale, relative to the variances of the items (Ferguson & Takhane, 2005). Inter-item correlations and Cronbach's alpha were computed for each of the commitment scales. The five research hypotheses were tested with appropriate statistical tests and appropriate tables and graphs, with the results summarized. Two types of statistical tests were used—*t*-tests and correlation analyses—for the initial study.

#### **5.5.6.1 Two-sample two test (*t*-tests)**

The *t*-tests conducted serve to test whether there is evidence of a significant difference in commitment scores between various pairs of groups. The three commitment variables are "continuous" variables, where the idea of a continuous variable can be defined as follows:

Definition: A *continuous variable* can assume any value within the range of scores that define the limits of that variable (Sheskin, 2007).



Similarly, a person's age is a continuous variable because a person's age can be any value between 0 and around 120 years, such as 28 years. In other words, age would be considered a continuous variable because it can take on any value within a certain range, as opposed to a limited number of discrete values. Other examples of continuous variables include income, weight, height, and in general, anything that is measured by a scale. If a variable is not a continuous variable, it is a *discrete* variable, and it can assume only a limited number of different values.

For example, the variable gender is a discrete variable that is generally viewed as being able to assume only two different values. Additional examples of discrete variables include social class, race, region of residence, and nationality. Similarly, the variable Cultural Background (with the values Saudi background, Western background, or other background) is a discrete variable that has three possible values.

The choice of which statistical technique to use depends in large part on the "type" of each of the variables. Statisticians have published books of rules about the appropriate statistical technique to use when studying a relationship between variables (Haladyna, 2004).

In the present case since the response variable (e.g., AOC) is a continuous variable, and since the predictor variable (Cultural Background) is a discrete variable with two values, the appropriate statistical test to use is the two-sample *t*-test, as noted in the book of rules for statistical tests by Sheskin (2007). For example, one of the tests for Hypothesis 1 tests whether there is a significant difference between Affective Organisation Commitment scores in Saudi managers and Western managers.

The appropriate statistical test for evidence of such differences when the comparison is between two different groups of participants is the two-sample *t*-test (Sheskin, 2007).

Moreover, another measure that is very important to consider when reviewing the results of an analysis is the *p*-value. The *p*-value, or probability value, indicates the probability that there is a genuine, significant effect, versus the probability that the relationship or effect between your variables is just due to random variation, or error. A probability value less than .05 means that you have a greater than 95% probability that there is a genuine relationship between the variables in your analysis. If the *p*-value is less than the “critical” value of .05, and assuming that the hypothesis is properly stated, and assuming that there is no reasonable *alternative* explanation for the low *p*-value, then this is considered as sufficient evidence to (tentatively) support the conclusion that the data give reasonable support for the hypothesis (Sheskin, 2007).

#### **5.5.6.2 Correlation analyses**

In correlation analysis the purpose is to test the hypothesis that a relationship exists between two continuous variables. In such a test, a correlation coefficient is computed between the two variables. This coefficient will be approximately zero if there is no relationship between the variables. In contrast, if there is a (roughly linear) relationship between two variables, the correlation coefficient will be a figure between 0 and +1 for a positive correlation and a figure between 0 and -1 for a negative correlation (Miles & Shevlin, 2000). Suppose there is an “increasing” relationship between two variables, which means that if a respondent has a high value on one of the two variables, then he or she is likely to have a high value on the other

variable. In this case the correlation coefficient will be positive. And in this case the stronger the (linear) relationship between the two variables, the larger the correlation coefficient will be, up to a maximum possible value of +1 for a perfect linear increasing relationship between the two variables (Cohen et al, 2002).

In contrast, suppose there is a “decreasing” relationship between two variables, which means that if a respondent has a high value on one of the two variables, then he or she is likely to have a *low* value on the other variable. In this case the correlation coefficient will be negative; with the stronger the (linear) relationship between the variables, the *smaller* the correlation coefficient will be down to a minimum possible value of -1 for a perfect linear decreasing relationship between the variables.

In correlation analysis we test for evidence of a relationship between the two variables by testing whether the correlation coefficient is significantly different from zero. Like the *t*-test, the test of the correlation coefficient returns a *p*-value. As with the *t*-test, if the *p*-value for a correlation coefficient is less than the critical value, and assuming that the hypothesis is properly stated, and assuming that there is no reasonable alternative explanation for the low *p*-value, then this is deemed as sufficient evidence to (tentatively) support the conclusion that the data give reasonable support for the hypothesis (Sheskin, 2007).

The largest limitation of the correlation coefficient is that it does not tell researchers whether or not the relationship between the variables is causal. The correlation does not prove causation. It only shows that two variables are related in an orderly way, but it does not prove nor disprove that the relationship is a cause-and-effect relationship between the variables.

### ***5.5.6.3 Skewness and Kurtosis Test***

To assess the normality of each scale, measures of skewness and kurtosis were utilised. Normality testing is an important analytical component. The importance lies in the fact that parametric statistical tests assume that the variables included in the analyses (which would consist of either the dependent variable alone, or both the dependent as well as the independent variable(s), depending on the specific statistical test utilised) are normally distributed. If the variables in question were found to have acceptable levels of skewness and kurtosis, meaning that the levels of skewness and kurtosis do not substantially deviate from normality, then they can be said to be normally distributed. Once it is determined that they are normally distributed, then conducting parametric tests, which assume normality, will not be problematic (Bali, 2007; Agarwal and Naik, 2004).

Skewness is an indicator of how symmetrical a distribution is. If the distribution is pulled to the right, it will have a high positive skewness score. If it is pulled to the left, it will have a high negative skewness score. A skewness score of zero indicates a symmetrical distribution. Kurtosis is an indicator of the peakedness of a distribution. If a distribution has a high positive kurtosis score, it is called leptokurtotic, which is a more peaked distribution with longer, fatter tails. If a distribution has a high negative kurtosis score, it is platykurtotic, which is a flatter distribution with shorter, thinner tails (De Carlo, 1997; Kendall et al., 1999).

### 5.5.7 Pilot Study

Dane (1990) notes that a pilot study is “*an abbreviated version of a research project in which the researcher practices or tests procedures to be used in the subsequent full scale project.*” A pilot study was performed with those principles in mind. For the sake of practice with and understanding of the procedures that were to be used in the main study, the questionnaire was distributed to managers from four petro-chemical companies. The data collected from the 43 managers in the pilot study were analysed and the relevant statistical tests were performed. More detailed information about the pilot study can be found in Appendix E.

The pilot study helped to make the following improvements to the design of the main study:

- Based on feedback from the pilot study, it was found that the length of time needed to complete the questionnaire was longer than initially expected. As a result, the estimate of 10 minutes mentioned in the cover letter was increased to 15 minutes.
- Feedback from the pilot study also led to a redesign of the questionnaire’s layout in order to make it less confusing and easy to fill.
- Based on the response rate of the pilot study, it was estimated that a minimum of 850 questionnaires should be distributed in the main study to obtain the sample size needed to obtain valid results, which was higher than the original estimate.
- Based on the longer than expected response time in the pilot study, additional follow-up measures (such as more frequent e-mail contact, following up with the HR contact in person or by phone) were implemented in the main study.

- Led to a revision of some hypotheses, which were found to be non-testable based on the data collected (see Appendix E for more information).
- Understanding the procedures for examining data for errors (by studying the univariate distribution of each variable) before the actual formal analysis of the data was undertaken.
- Helped to understand the Cronbach's alpha as a measure of the reliability of scale scores computed from the test instrument.
- To run initial  $t$ -tests and help to understand the  $p$ -values that result from these tests to determine whether two averages are significantly different from each other.
- To recognize the use of correlation analysis (again using  $p$ -values) to determine whether the data provide evidence that a relationship exists between two continuous variables.
- Non-response limitations learning point:

Non-response bias is a serious drawback that empirical studies using a voluntary questionnaire often encounter. Due to the closed nature of the Saudi society and the strict instructions provided by the government if they are the local partner, most IJVs are not open to disclosing internal information. Non-response bias could therefore affect the study in varying degrees. Rates of non-response can have significant impact on any data collection and therefore its impact should be taken into consideration.

Researchers are expected to take precautionary measures to prevent a large percentage of non-response (Anderson, 2004; Creswell, 1994; Lessler & Kalsbeek, 1992). As every voluntary survey is bound to have some degree of non-response, it is important for the researcher to consider the impact of such a situation beforehand.

In order to avoid non-response bias, non-responses after the initial period of the survey were contacted again and asked to indicate their unwillingness to participate in the study. Those expressing their desire not to participate were excluded from the sample. However, those not responding to the second request were urged to complete the questionnaire as quickly as possible.

Finally, the sensitivity of the topics being addressed, such as collectivism, as well as commitment, may have led respondents to ignore or provide socially acceptable or non-committal answers. To lessen these possibilities, survey respondents were promised anonymity in the introduction to the survey. The variability of the management strata represented within the respondent population of managers is another limitation. The sample population will be drawn from a composite population of all managers ranging from senior, middle level, to junior managers.

## 5.6 Conclusion

This chapter outlined the conceptual framework of this research, the research hypotheses, and the methodology. The conceptual framework noted the link between national culture and employee commitment. It explained the study variables and the relationships that are predicted by the five study hypotheses. The population, the sampling methods, and the chosen sample size for the study were described and justified. The statistical methods for testing the five hypotheses as well as additional analysis on culture were described.

The data collection method used is a survey questionnaire. The test instruments that were used in the questionnaire are Allen and Meyer's organisational commitment scale and Blau's professional commitment scale, along with Hofstede's scale measuring culture. These were discussed in terms of their application, validity, reliability, and why they were selected. The chapter also considered the ethical aspects of data collection and data handling and the limitations of the study. In addition to that, the learning lessons of the pilot survey have been identified. This chapter creates the link between the literature, the study objectives, and the methodology used to test the research hypotheses.



## **6. Results**

### **6.1 Introduction**

The main focus of this study was the comparison of three groups of respondents: Saudis, Saudis working at an international joint venture (IJV), and Westerners working at an IJV in regard to the following dependent variables: Normative Organisation Commitment (NOC), Affective Organisation Commitment (AOC), Continuous Organisation Commitment (COC), and Professional Commitment (PC). This chapter will serve to detail the results of the analyses conducted testing the five hypotheses presented in the previous chapter, and will include the results of analyses conducted on the culture data, as well as the analyses conducted on the commitment data. Initially, a description of the sample will be presented, followed by the results of the *t*-tests conducted on culture, with additional descriptives and tests included in this section as well as the appendix. Following this, frequencies for the survey items will be discussed, and this will be followed by a set of descriptive statistics concerning the dependent and independent variables included in the later analyses. While stratified random sampling was used, some small discrepancies were found in the actual data; however, this was not seen to affect the results.

The purpose of conducting these initial descriptive statistics is to help explain the current data set utilized for this study and to get a better sense of the variables which compose it. Following this, reliability analyses concerning the dependent variables in question will be presented. These reliability analyses were conducted in order to determine the internal consistency reliability of the four variables measuring organisation commitment. This is a necessary and important step, as it allows for the determination of the strength of these variables in regard to their internal consistency. Next, a section discussing the sample of respondents composing this data set will be discussed, followed by correlations between the four dependent variables of interest.

These correlations will serve the purpose of initially determining whether there is any significant relationship between these four different measures of organisation commitment. Following this, the demographic variables included in the study will be focused upon and discussed in relation to the four commitment variables of interest. This portion of the chapter will seek to determine whether any significant relationships could be found between the demographic variables included in the study and organisation commitment.

While not a component of the hypotheses presented in the previous chapter, these analyses were conducted as a more exploratory component of the study. The remainder of this chapter will be structured such that each hypothesis will be presented and discussed individually, serving to sufficiently test each of the hypotheses included in the study, utilizing appropriate statistical methods. Finally, a conclusion section will serve to summarize the results detailed in this chapter.

## 6.2 Sample

### 6.2.1 Commitment Survey

The survey that was distributed for this study was sent to 850 individuals in total. In total, 18 companies were contacted (see Appendix B). In sum, 567 usable responses were received from this group of individuals, which translates into a response rate of 67%. Out of these 567 respondents, 177 were Saudi individuals working at Saudi companies, 190 were Saudis working within IJVs, and 200 were Westerners working in IJVs. With regard to the entire sample, 18 companies in Saudi Arabia were included, 9 Saudi-Western IJVs, and 9 purely Saudi domestic companies.

Table 1 presents a summary of the breakdown in respondents on the basis of nationality.

Table 1. *Total Sample by Nationality (N = 567)*

	<i>N</i>	<i>%</i>
Saudi (IJVs)	190	33.5%
Saudi (Saudi Companies)	177	31.2%
Westerners (IJVs)	200	35.3%

### 6.2.2 Cultural Survey of Individualism and Collectivism

A culture survey was also distributed to 850 individuals working in the same 18 companies that took part in the commitment survey (see Appendix B). In sum, 466 usable responses were received from this group of individuals, which translates into a response rate of 55%. With regard to the entire sample, 18 companies in Saudi Arabia were included, 9 Saudi-Western IJVs, and 9 purely Saudi domestic companies. See Table 2 for respondents' response by nationality.

*Table 2. Total Sample by Nationality (N = 466)*

	<i>N</i>	%
Saudi (IJVs)	155	33.3%
Saudi (Saudi Companies)	181	38.8%
Westerners (IJVs)	130	27.9%

### **6.3 Tests on Culture Data**

The national culture scale consisted of Likert scales. The questions asked regarding individualism consisted of 5-point Likert scales which ranged from 1 (of utmost importance to me) to 5 (of very little or no importance).

First, Table 3 presents descriptive statistics associated with all demographic measures included in the culture survey.

Table 3.

*Frequencies and Percentages for Categorical Demographic Variables (N = 466)*

	<i>Frequency</i>	<i>Percent</i>
<b>Sex</b>		
Male	466	100.0
Female	0	0.0
<b>Date of birth</b>		
Born Before 1950	64	13.7
1950 – 1980	222	47.6
Born After 1981	180	38.6
<b>Current job experience</b>		
1 – 5 years	136	29.2
6 – 10 years	145	31.1
11 or more years	185	39.7
<b>Position</b>		
Engineering	345	74.0
Administration	121	26.0
<b>Nationality</b>		
Saudi employed in Saudi firm	181	38.8
Saudi employed in IJV	155	33.3
Western employed in IJV	130	27.9
<b>Working outside home country</b>		
Yes	173	37.1
No	293	62.9
<b>Education</b>		
Bachelor's degree	363	77.9
Master's degree	98	21.0
Doctoral degree	5	1.1
<b>Area where work experience took place</b>		

America	46	26.6
Africa	23	13.3
Asia	35	20.2
Middle East	38	22.0
Europe	31	17.9
<b>Outside country experience</b>		
1 – 5 years	72	41.6
6 – 10 years	38	22.0
11 or more years	63	36.4

We see that all participants in the sample were male (100%) and were in Engineering (74%). It was hoped to have at least 20% females and 50% between the two positions. However, this deviation will not affect the findings as the main three groups' representation is available.

Next, the table shown below presents these same descriptive statistics broken down on the basis of nationality.

Table 4.  
*Frequencies and Percentages for Categorical Demographic Variables by Nationality (N = 466)*

	<i>Frequency</i>	<i>Percent</i>
<b>Sex</b>		
Male		
Saudi employed in Saudi firm	181	38.8%
Saudi employed in IJV	155	33.3%
Western employed in IJV	130	27.9%
Female		
Saudi employed in Saudi firm	0	0
Saudi employed in IJV	0	0

Western employed in IJV	0	0
<b>Date of birth</b>		
Born Before 1950		
Saudi employed in Saudi firm	31	48.4%
Saudi employed in IJV	13	20.3%
Western employed in IJV	20	31.3%
Between 1950 – 1980		
Saudi employed in Saudi firm	90	40.5%
Saudi employed in IJV	72	32.4%
Western employed in IJV	60	27.0%
born after 1981		
Saudi employed in Saudi firm	60	33.3%
Saudi employed in IJV	70	38.9%
Western employed in IJV	50	27.8%
<b>Current job experience</b>		
1 – 5 years		
Saudi employed in Saudi firm	56	41.2%
Saudi employed in IJV	59	43.4%
Western employed in IJV	21	15.4%
6 – 10 years		
Saudi employed in Saudi firm	50	34.5%
Saudi employed in IJV	46	31.7%
Western employed in IJV	49	33.8%
11 or more years		
Saudi employed in Saudi firm	75	40.5%

Saudi employed in IJV	50	27.0%
Western employed in IJV	60	32.4%
<b>Position</b>		
Engineering		
Saudi employed in Saudi firm	109	31.6%
Saudi employed in IJV	130	37.7%
Western employed in IJV	106	30.7%
Administration		
Saudi employed in Saudi firm	72	59.5%
Saudi employed in IJV	25	20.7%
Western employed in IJV	24	19.8%
<b>Working outside home country</b>		
Yes		
Saudi employed in Saudi firm	15	8.7%
Saudi employed in IJV	53	30.6%
Western employed in IJV	105	60.7%
No		
Saudi employed in Saudi firm	166	56.7%
Saudi employed in IJV	102	34.8%
Western employed in IJV	25	8.5%
<b>Education</b>		
Bachelor's degree		
Saudi employed in Saudi firm	149	41.0%
Saudi employed in IJV	113	31.1%
Western employed in IJV	101	27.8%



Master's degree		
Saudi employed in Saudi firm	32	32.7%
Saudi employed in IJV	39	39.8%
Western employed in IJV	27	27.6%
Doctoral degree		
Saudi employed in Saudi firm	0	0.0%
Saudi employed in IJV	3	60.0%
Western employed in IJV	2	40.0%
<b>Continent where work experience took place</b>		
America		
Saudi employed in Saudi firm	7	15.2%
Saudi employed in IJV	30	65.2%
Western employed in IJV	9	19.6%
Africa		
Saudi employed in Saudi firm	0	0.0%
Saudi employed in IJV	3	13.0%
Western employed in IJV	20	87.0%
Asia		
Saudi employed in Saudi firm	2	5.7%
Saudi employed in IJV	5	14.3%
Western employed in IJV	28	80.0%
Middle East		
Saudi employed in Saudi firm	0	0.0%
Saudi employed in IJV	2	5.3%

Western employed in IJV	36	94.7%
Europe		
Saudi employed in Saudi firm	6	19.4%
Saudi employed in IJV	13	41.9%
Western employed in IJV	12	38.7%
<b>Outside country experience</b>		
1 – 5 years		
Saudi employed in Saudi firm	12	16.7%
Saudi employed in IJV	40	55.6%
Western employed in IJV	20	27.8%
6 – 10 years		
Saudi employed in Saudi firm	3	7.9%
Saudi employed in IJV	10	26.3%
Western employed in IJV	25	65.8%
11 or more years		
Saudi employed in Saudi firm	0	0.0%
Saudi employed in IJV	3	4.8%
Western employed in IJV	60	95.2%

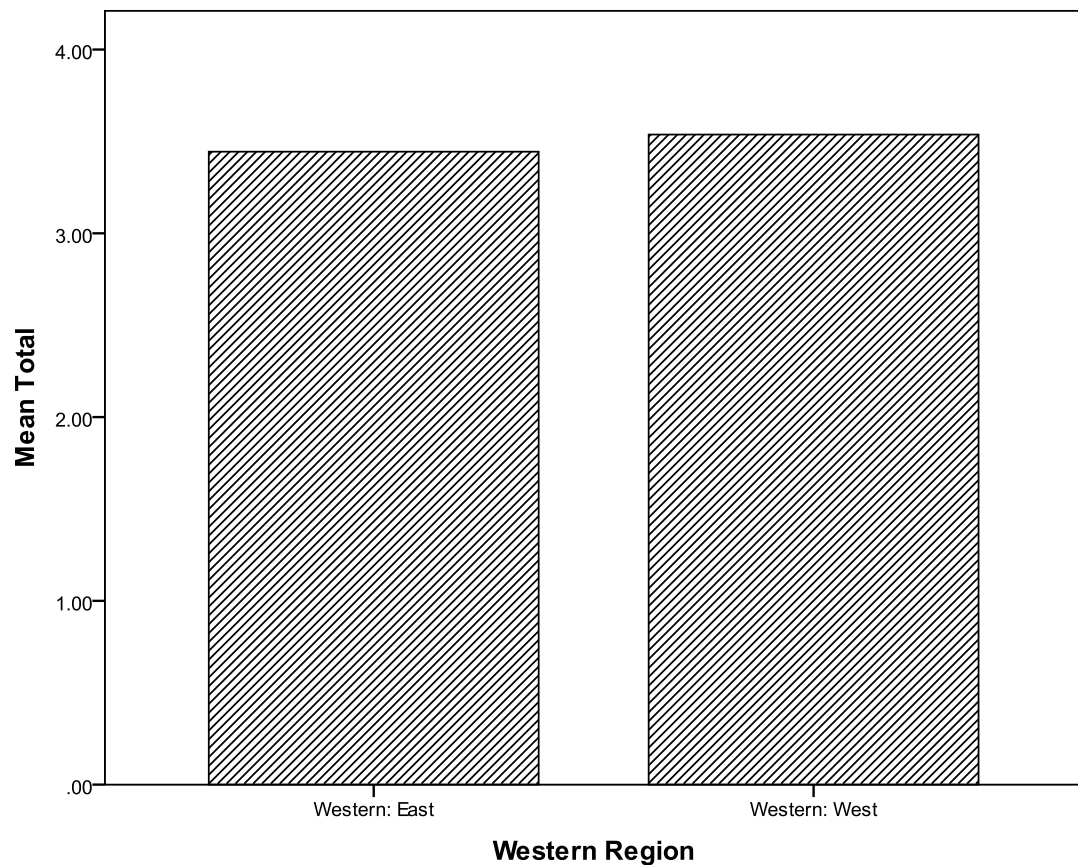
A reliability analysis was conducted on the measures of culture. Cronbach's alpha for these 14 items was found to be .763. As this figure is above .70, this indicates acceptably high reliability.

*Table 5: Cronbach's Alpha Reliabilities for Culture (Individualism scale items)*

( $N = 466$ )

	<i>Number of items</i>	<i>Reliability (<math>\alpha</math>)</i>
Individualism	14	.763

Initially, an independent-samples *t*-test was conducted focusing upon differences in individualism among Westerners who worked in Eastern regions as compared with Westerners who worked in Western regions. The following figure presents an illustration of the mean difference in individualism among these two groups of respondents.



*Figure 7. Differences in Individualism among Respondents in the West.*

The result of the independent-samples *t*-test, which is presented in the following table, indicates that Westerners who work in Western regions have significantly higher individualism as compared with Westerners who work in Eastern regions.

Table 6. *Individualism: Western vs. Eastern Region: t-test*

<i>Region</i>	<i>Eastern</i>	<i>Western</i>	<i>t(df)</i>	<i>p</i>
	<i>Regions</i>	<i>Regions</i>		
	( <i>N</i> = 64)	( <i>N</i> = 21)		
	<i>M (SD)</i>	<i>M (SD)</i>		
Individualism	3.444 (.170)	3.537 (.131)	2.290 (83)	<.05

\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

Next, a series of three *t*-tests were conducted focusing on differences in individualism based on nationality/workplace. The first *t*-test conducted focuses upon a comparison between Saudis employed in IJVs and Westerners employed in IJVs. The following figure illustrates the mean difference in individualism between these two groups of respondents.

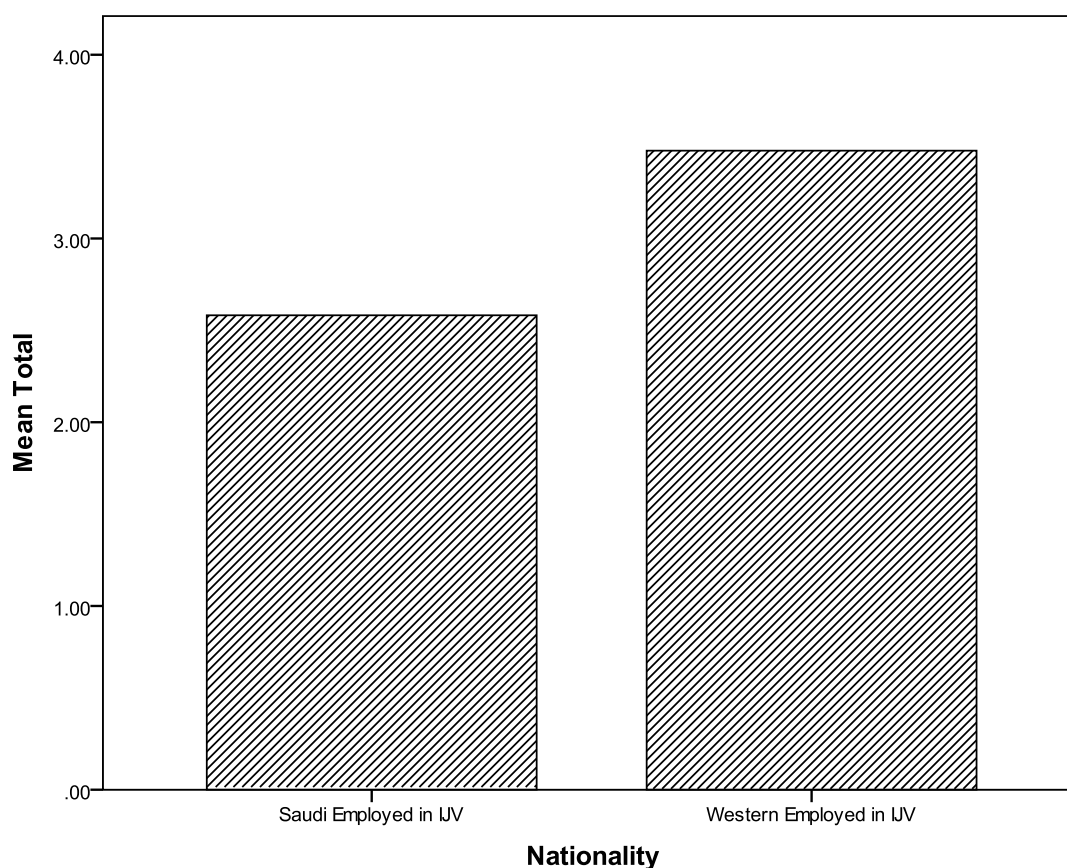


Figure 8. Differences in Individualism among Respondents in IJVs.

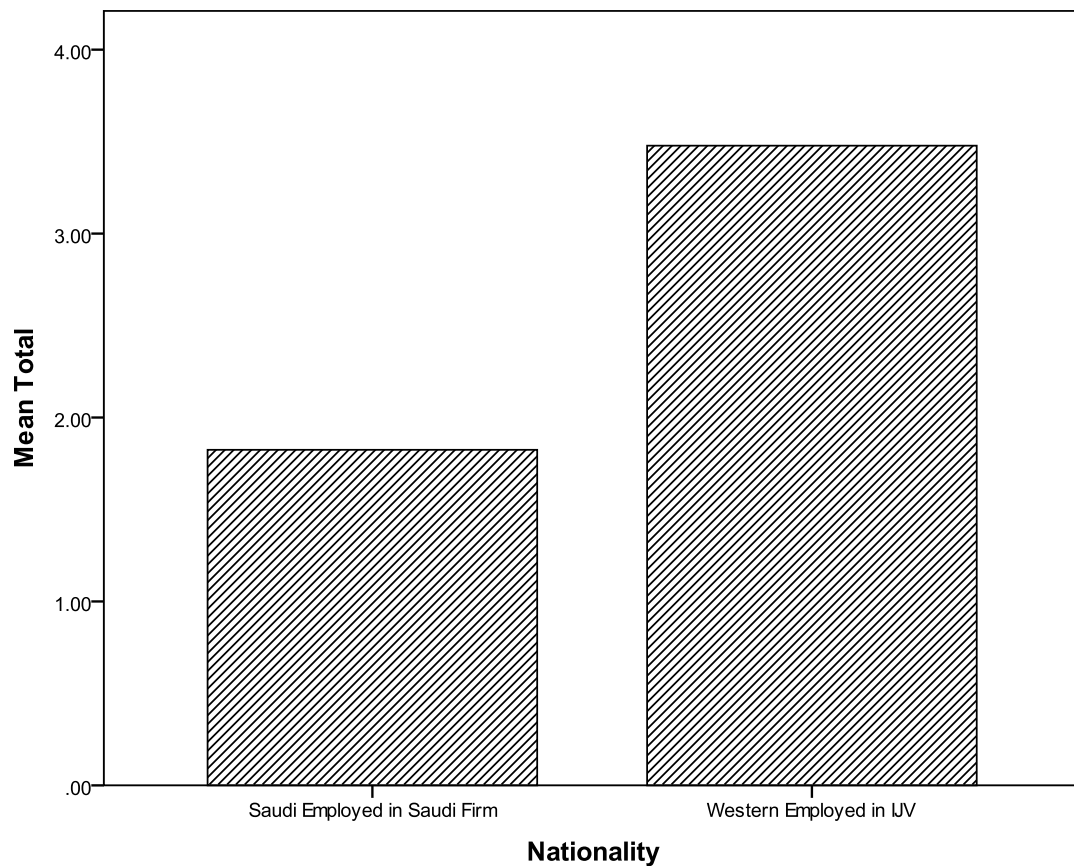
Next, the following table summarizes the results of the *t*-test conducted. As indicated, the mean level of individualism was found to be significantly higher among Westerners working in IJVs as compared with Saudis working in IJVs.

Table 7. *Individualism: Saudi in IJV vs. Westerner in IJV: t-tests*

Region	Saudi in IJV	Westerner	<i>t</i> ( <i>df</i> )	<i>p</i>
	( <i>N</i> = 181)	in IJV		
	<i>M</i> ( <i>SD</i> )	( <i>N</i> = 130)		
		<i>M</i> ( <i>SD</i> )		
Individualism	1.824 (.213)	3.478 (.164)	77.130 (307.447)	<.001

\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

A *t*-test was also conducted focusing on the comparison between Saudis employed in Saudi firms and Westerners employed in IJVs. First, the following bar chart presents a visual illustration of the difference in mean individualism based upon nationality.



*Figure 9.* Differences in Individualism among Saudis in Saudi Firms and Westerners in IJVs.

The results presented in the following table indicate that mean individualism is significantly higher with regard to Westerners working in IJVs as compared with Saudis working in Saudi firms.

Table 8. *Individualism: Saudi in Saudi Firm vs. Westerner in IJV: t-tests*

<i>Region</i>	<i>Saudi in Saudi Firm</i>	<i>Westerner in IJV</i>	<i>t(df)</i>	<i>p</i>
	<i>(N = 181)</i>	<i>(N = 155)</i>		
	<i>M (SD)</i>	<i>M (SD)</i>		
Individualism	1.824 (.213)	2.582 (.171)	36.081 (332.647)	<.001

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

The final  $t$ -test focuses upon a comparison between Saudis employed in Saudi firms and Saudis employed in IJVs. The following bar chart presents a visual comparison between these two groups with regard to individualism.

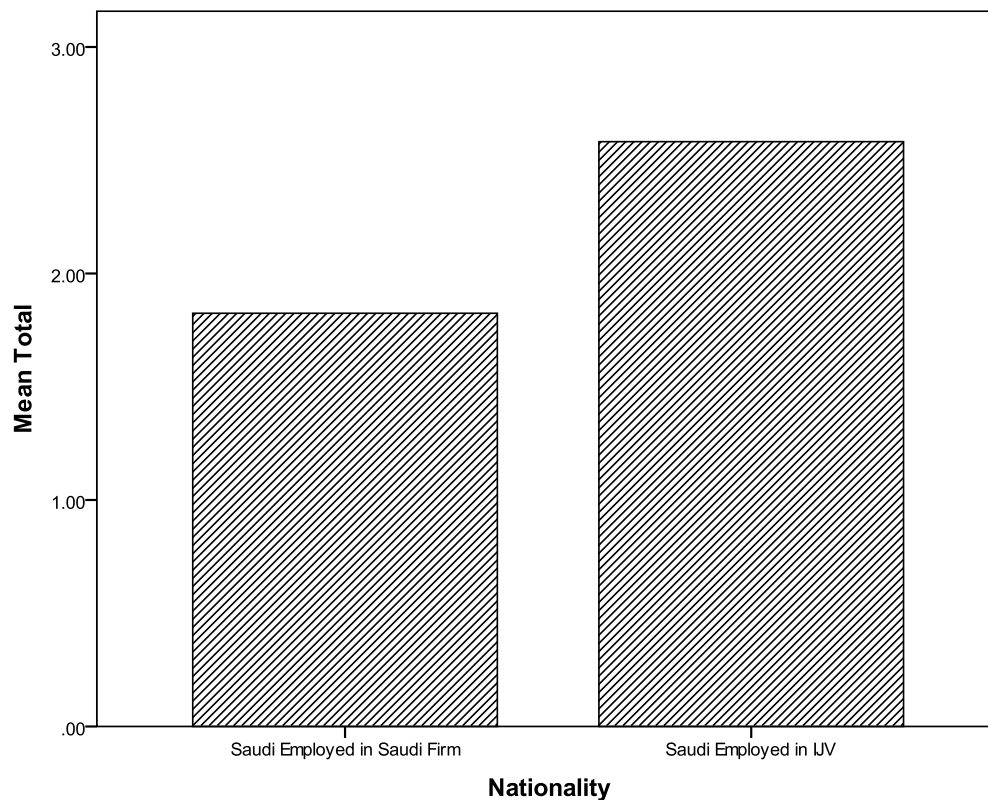


Figure 10. Differences in Individualism among Saudis.

The results presented in the table below indicate that individualism is significantly higher among Westerners working in IJVs as compared with Saudis working in IJVs.

Table 9. *Individualism: Saudi in Saudi Firms vs. Saudi in IJV: t-tests*

<i>Region</i>	<i>Saudi in Saudi</i>	<i>Saudi in</i>	<i>t(df)</i>	<i>p</i>
	<i>Firms</i>	<i>IJV</i>		
	<i>(N = 155)</i>	<i>(N = 130)</i>		
	<i>M (SD)</i>	<i>M (SD)</i>		
Individualism	2.582 (.171)	3.478 (.164)	44.791 (283)	<.001

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

#### 6.4 Tests on Commitment Data

Each of the four scales (Normative Organisation Commitment, Continuous Organisation Commitment, Affective Organisation Commitment, and Professional Commitment) consisted of Likert scales. The questions asked regarding Normative Organisation Commitment, Continuous Organisation Commitment, and Affective Organisation Commitment consisted of 7-point Likert scales which ranged from 1 (Strongly Disagree) to 7 (Strongly Agree). Questions asked regarding Professional Commitment were rated on 4-point Likert scales ranging from 1 (Strongly Disagree) to 4 (Strongly Agree). There were no reverse-coded questions for Continuous Organisation Commitment and Affective Organisation Commitment, while Normative Organisation Commitment contained one reverse-coded question (question 12).



Additionally, Professional Commitment contained four reverse-coded questions. In total, respondents answered six questions regarding Normative Organisation Commitment, six questions on Continuous Organisation Commitment, six questions on Affective Organisation Commitment, and 21 questions on Professional Commitment. Frequencies and percentages were calculated for all questions relating to these four scales.

#### 6.4.1 Descriptive Statistics: Demographics

This section will focus upon a set of descriptive statistics relating to a number of the variables in the survey. Table 10 presents frequencies and percentages for categorical demographic variables.

Table 10.  
*Frequencies and Percentages for Categorical Demographic Variables (N = 567)*

	<i>Frequency</i>	<i>Percent</i>
<b>Sex</b>		
Male	565	99.6
Female	2	0.4
<b>Date of birth</b>		
Born before 1950	106	18.7
Born between 1950 – 1980	255	45.0
Born After 1981	206	36.3
<b>Current job experience</b>		
1 – 5 years	161	28.4
6 – 10 years	275	48.5
11 or more years	131	23.1
<b>Position</b>		

Engineering	384	67.7
Administration	183	32.3
<b>Nationality</b>		
Saudi employed in Saudi firm	177	31.2
Saudi employed in IJV	190	33.5
Western employed in IJV	200	35.3
<b>Working outside home country</b>		
Yes	318	56.1
No	249	43.9
<b>Education</b>		
Bachelor's degree	374	66.0
Master's degree	137	24.2
Doctoral degree	56	9.9
<b>Area where work experience took place</b>		
America	68	21.4
Africa	26	8.2
Asia	63	19.8
Middle East	77	24.2
Europe	84	26.4
<b>Outside country experience</b>		
1 – 5 years	78	24.5
6 – 10 years	107	33.7
11 or more years	133	41.8

The majority of participants in the sample were male (99.6%), were in Engineering (67.7%), were working outside their home countries (56.1%), and had Bachelor's degrees (66.0%). The nationalities of the sample were divided evenly among Saudis (31.2%), individuals working in Saudi IJVs (33.5%), and those working in Western IJVs (35.3%).

Table 11.

*Frequencies and Percentages for Categorical Demographic Variables by Nationality*  
(*N* = 567)

	<i>Frequency</i>	<i>Percent</i>
<b>Sex</b>		
Male		
Saudi employed in Saudi firm	175	31.0
Saudi employed in IJV	190	33.6
Western employed in IJV	200	35.4
Female		
Saudi employed in Saudi firm	2	100.0
Saudi employed in IJV	0	0.0
Western employed in IJV	0	0.0
<b>Date of birth</b>		
Born before 1950		
Saudi employed in Saudi firm	70	66.0
Saudi employed in IJV	1	0.94
Western employed in IJV	35	33.0
Born between 1950 – 1980		
Saudi employed in Saudi firm	107	42.0
Saudi employed in IJV	53	20.8
Western employed in IJV	95	37.3
Born after 1981		
Saudi employed in Saudi firm	37	18.0
Saudi employed in IJV	99	48.0
Western employed in IJV	70	34.0
<b>Current job experience</b>		
1 – 5 years		
Saudi employed in Saudi firm	22	13.7
Saudi employed in IJV	82	50.9
Western employed in IJV	57	35.4
6 – 10 years		

Saudi employed in Saudi firm	70	25.5
Saudi employed in IJV	97	35.3
Western employed in IJV	108	39.3
11 or more years		
Saudi employed in Saudi firm	85	64.9
Saudi employed in IJV	11	8.4
Western employed in IJV	35	26.7
<b>Position</b>		
Engineering		
Saudi employed in Saudi firm	130	33.9
Saudi employed in IJV	135	35.2
Western employed in IJV	119	31.0
Administration		
Saudi employed in Saudi firm	47	25.7
Saudi employed in IJV	55	30.1
Western employed in IJV	81	44.3
<b>Working outside home country</b>		
Yes		
Saudi employed in Saudi firm	35	11.0
Saudi employed in IJV	120	37.7
Western employed in IJV	163	51.3
No		
Saudi employed in Saudi firm	142	57.0
Saudi employed in IJV	70	28.1
Western employed in IJV	37	14.9
<b>Education</b>		
Bachelor's degree		
Saudi employed in Saudi firm	125	33.4
Saudi employed in IJV	119	31.8
Western employed in IJV	130	34.8
Master's degree		

Saudi employed in Saudi firm	38	27.7
Saudi employed in IJV	45	32.9
Western employed in IJV	54	39.4
Doctoral degree		
Saudi employed in Saudi firm	14	25.0
Saudi employed in IJV	26	46.4
Western employed in IJV	16	28.6
<b>Area where work experience took place</b>		
America		
Saudi employed in Saudi firm	11	16.2
Saudi employed in IJV	25	36.8
Western employed in IJV	32	47.1
Africa		
Saudi employed in Saudi firm	8	30.8
Saudi employed in IJV	9	34.6
Western employed in IJV	9	34.6
Asia		
Saudi employed in Saudi firm	4	6.4
Saudi employed in IJV	28	44.4
Western employed in IJV	31	49.2
Middle East		
Saudi employed in Saudi firm	9	11.7
Saudi employed in IJV	33	42.9
Western employed in IJV	35	45.5
Europe		
Saudi employed in Saudi firm	3	3.6
Saudi employed in IJV	25	29.8
Western employed in IJV	56	66.7
<b>Outside country experience</b>		
1 – 5 years		
Saudi employed in Saudi firm	1	1.3

Saudi employed in IJV	37	47.4
Western employed in IJV	40	51.3
6 – 10 years		
Saudi employed in Saudi firm	12	11.2
Saudi employed in IJV	40	37.4
Western employed in IJV	55	51.4
11 or more years		
Saudi employed in Saudi firm	22	16.5
Saudi employed in IJV	43	32.3
Western employed in IJV	68	51.1

Next, a series of chi-square analyses were conducted in order to determine whether there was a significant association between nationality and each of the demographic variables included in the above table. Chi-square analyses were chosen as the chi-square analysis is appropriate for determining whether there is a significant relationship between two categorical variables, and all variables included in these analyses were categorical. A table summarizing the results of these analyses is shown below.

Significant associations were found between nationality and date of birth, years of experience in the respondents' current job, the respondents' position, whether the respondent worked outside their home country, the country outside the home country in which the respondent worked, and years of experience working outside the respondents' home country. Additional analyses will be conducted later in this chapter focusing upon the demographic variables.

*Table 12. Nationality and Demographics: Chi-Square*

Variable	Chi-Square	p
Sex	4.422	.110
Date of Birth	226.284	<.001
Current Job Exp.	109.843	<.001
Position	9.803	<.01
Work Outside Country	151.062	<.001
Education	6.342	.175
Country	25.244	<.01
<u>Years Outside Experience</u>	<u>13.387</u>	<u>&lt;.05</u>

#### **6.4.2 Descriptive Statistics: Commitment**

Each of the four scales was scored by averaging the answers to the items that comprised each scale. For example, the Normative Organisation Commitment scale score was computed as the average of the answers to the six Normative Organisation Commitment survey items. Table 13 presents descriptive statistics for each of the scales described above.

In order to assess normality of these variables, which is an important assumption of parametric tests, skewness and kurtosis measures were calculated. These measures are also presented in Table 6. Skewness and kurtosis values of zero are indicative of a normal distribution, and values between -2 and +2 signify no problematic deviations from normality (Bali, 2007; De Carlo, 1997; B.L. Agarwal and Niak, 2004; Kendt et al., 1999).

While these values have been accepted as a standard, they can still be used within the field of statistics as a rule of thumb. This means that even if variables were found to deviate to some small degree from this range, they can still be considered normally distributed variables, and hence be included in parametric statistical tests.

All measures of skewness and kurtosis were between the values of -2 and +2. As all scales were found to be within the range of -2 to +2, they were all deemed sufficiently normally distributed such that parametric statistical tests, which assume normally distributed data, could thus be appropriately applied in the analyses.

*Table 13: Descriptive Statistics for All Scales (N = 567)*

	<i>M</i>	<i>SD</i>	<i>Range</i>	<i>Skewness</i>	<i>Kurtosis</i>
NOC	4.36	1.42	1.33 – 6.17	-0.50	-1.34
COC	4.44	1.53	1.50 – 7.00	-0.42	-1.57
AOC	4.00	1.36	1.33 – 6.50	-0.29	-1.35
PC	2.58	0.75	1.19 – 3.86	-0.19	-1.49

### **6.4.3 Reliability Analysis**

In this section, the results of the reliability analyses conducted on the dependent variables included in this study will be presented and discussed. As mentioned earlier, the dependent variables included in this study consist of the following: Normative Organisation Commitment (NOC), Affective Organisation Commitment (AOC), Continuous Organisation Commitment (COC), and Professional Commitment (PC). In order to test the internal consistency reliability of these items,



Cronbach's alpha was utilised. Table 14 presents the results of these four reliability analyses.

*Table 14: Cronbach's Alpha Reliabilities for Scales (N = 567)*

	<i>Number of items</i>	<i>Reliability (<math>\alpha</math>)</i>
NOC	6	0.88
COC	6	0.89
AOC	6	0.85
PC	21	0.94

As shown in Table 7, the calculated Cronbach's alpha scores for all four dependent variables were over 0.7, indicating that all four of these scales have acceptably high reliability. All alpha scores are in fact above 0.8, suggesting that these four scales are more than adequate in regard to reliability.

#### **6.4.4 Correlations**

This section will detail the correlations between the four dependent variables of interest, Normative Organisation Commitment, Affective Organisation Commitment, Continuous Organisation Commitment, and Professional Commitment. This will serve to illustrate the degree of relatedness between these four variables. First, the correlations among all respondents will be focused upon. Table 15 presents these correlations.

Table 15. *Correlations between the Dependent Variables (N = 567)*

Variable	NOC	<i>p</i>	AOC	<i>p</i>	COC	<i>p</i>
AOC	.660***	<.001				
COC	.574***	<.001	.704***	<.001		
PC	-.149***	<.001	-.199***	<.001	-.354***	<.001

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

All six of the correlations were found to be statistically significant. First, the correlations between Affective Organisation Commitment and Normative Organisation Commitment, Normative Organisation Commitment and Continuous Organisation Commitment, and between Continuous Organisation Commitment and Affective Organisation Commitment were found to be positive and fairly high. This suggests a strong degree of positive association between these pairs of variables.

The correlations between Normative Organisation Commitment and Professional Commitment, Affective Organisation Commitment and Professional Commitment, and Continuous Organisation Commitment and Professional Commitment were found to be significant and negative, but fairly weak. This indicates a slight degree of negative association between these three pairs of variables.

Next, correlations were calculated for Saudis employed in Saudi firms, Saudis employed in IJVs, and Westerners employed in IJVs. Table 16 presents these correlations for Saudis employed in Saudi firms.

Table 16. *Correlations between the Dependent Variables: Saudis in Saudi Companies Only (N = 177)*

Variable	NOC	<i>p</i>	AOC	<i>p</i>	COC	<i>p</i>
AOC	.560***	<.001				
COC	.571***	<.001	.626***	<.001		
PC	-.161*	.032	-.341***	<.001	-.203**	.007

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

Overall, results were quite similar to those of the overall sample.

Table 17 presents these same six correlations conducted on Saudis working in IJVs only.

Table 17. *Correlations between the Dependent Variables: Saudis in IJVs Only (N = 190)*

Variable	NOC	<i>p</i>	AOC	<i>p</i>	COC	<i>p</i>
AOC	.535***	<.001				
COC	.444***	<.001	.752***	<.001		
PC	-.208***	.004	-.280***	<.001	-.363***	<.001

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

Again, the correlations conducted on Saudis working in IJVs only were quite similar to the correlations as presented for the entire sample. Next, Table 11 presents these same correlations conducted for Western respondents only.

Table 17. *Correlations between the Dependent Variables: Westerners Only (N = 200)*

Variable	NOC	<i>p</i>	AOC	<i>p</i>	COC	<i>p</i>
AOC	.802***	<.000				
COC	.710***	<.000	.737***	<.000		
PC	.197**	.005	.254***	<.000	.166*	.019

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

Some important differences in the correlations, comparing Westerners with the entire sample, were found. First, the correlations that were found to be positive among the entire sample, those between Affective Organisation Commitment and Normative Organisation Commitment, Continuous Organisation Commitment and Normative Organisation Commitment, and Continuous Organisation Commitment and Affective Organisation Commitment, were found to be higher for the Western sample, indicating a stronger degree of positive association between these sets of variables among Westerners as compared with Saudis. This indicates that these various forms of organisational commitment are more strongly associated among Western respondents as compared with Saudi respondents.

In addition, the correlations between Professional Commitment and Normative Organisation Commitment, Affective Organisation Commitment, and Continuous Organisation Commitment, which were found to be negative and significant in the correlations conducted earlier (i.e. among the entire sample and among Saudis) were found to be positive and significant here.

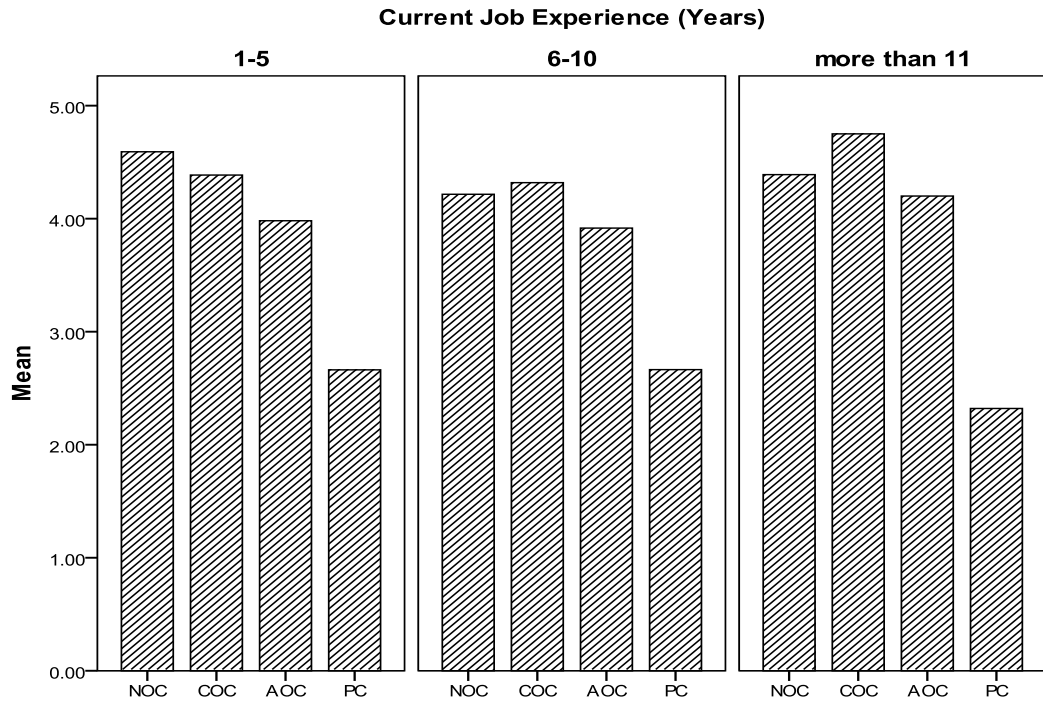
This means that while among Saudis, negative associations were found between Professional Commitment and the three other dependent variables, among Westerners, a weak yet positive association was found.

#### **6.4.5. Demographic Analyses**

A series of analyses were conducted focusing on the demographic variables included in this study. These analyses were conducted in order to provide additional information regarding commitment, as well as to explore any potential importance that the demographic variables may have in relation to commitment. Additionally, this set of analyses was also conducted in order to present a full picture of the data and the relationships between these variables.

##### **6.4.5.1 Commitment and Work Experience**

First, an analysis was conducted which focused on the relationship between all forms of commitment and work experience. Within this data set, work experience consisted of the following three categories: 1) 1-5 years, 2) 6-10 years, and 3) more than 10 years. First, the bar chart presented below serves to illustrate the mean levels of these four variables on the basis of work experience.



*Figure 11: Current Job Experience and NOC, COC, AOC, and PC*

As shown in Figure 11, there does not appear to be a clear relationship between current job experience and mean levels of commitment. First, four correlations were conducted between years of work experience and the four dependent variables in this study.

While the dependent variables are continuous variables, years of work experience is an ordinal variable. Because of this, Spearman's rho was chosen as it is more appropriate for correlations between a continuous and an ordinal variable as compared with Pearson's  $r$ . The results of these correlations are presented in Table 18 below. Overall, of these four correlations, only one was found to be statistically significant.

This consisted of the correlation between Professional Commitment and years of work experience. This correlation was found to be negative, indicating that as years of work experience increase, the level of Professional Commitment is expected to decrease.

Table 18. *Commitment and Years of Work Experience: Correlations (N = 567)*

	<i>Spearman's rho</i>	<i>p</i>
NOC	-.041	0.336
COC	.054	0.200
AOC	.057	0.177
PC	-.119**	0.005

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

#### 6. 4.5.2 Commitment and Date of Birth

The relationship between date of birth of the respondents and commitment was also explored. This relationship between age and commitment was explored through the use of a one-way ANOVA. The one-way ANOVA would be preferred over the use of an independent-samples *t*-test as age, included in this data set as date of birth, consists of three categories in total: 1) born before 1950, 2) born between 1950 and 1980, and 3) born after 1980. As shown in Table 13, the overall ANOVAs were significant for each type of commitment. Thus, the Scheffe post-hoc test was utilised to determine between which birth years specifically there was a significant difference. The ANOVA itself can only test overall differences, not specific

differences (see Appendix F); therefore, comparisons were computed to determine specifically which birth years were different.

For Normative Organisation Commitment, the post hoc tests confirmed that the 1950-1980 cohort was significantly lower than both of the other cohorts, but the <1950 and >1980 cohorts were not different from each other. For Continuous Organisation Commitment, the post hoc tests confirmed that the <1950 cohort was significantly higher than both of the other cohorts, but the 1950-1980 and >1980 cohorts were not different from each other. For Affective Organisation Commitment, the post hoc tests confirmed that the 1950-1980 cohort was significantly lower than both of the other cohorts, but the <1950 and >1980 cohorts were not different from each other.

For Professional Commitment, the post hoc tests confirmed that the <1950 cohort was significantly lower than both of the other cohorts, but the 1950-1980 and >1980 cohorts were not different from each other.



Table 19. *Commitment: Date of Birth: ANOVA*

<i>Type of</i>	<i>Before 1950</i>	<i>1950-1980</i>	<i>After 1980</i>	<i>F-Statistic</i>	<i>p</i>
<i>organisational</i>	<i>(N = 106)</i>	<i>(N = 255)</i>	<i>(N = 206)</i>		
<i>commitment</i>	<i>M</i>	<i>M</i>	<i>M</i>		
<hr/>					
NOC	4.66	4.04	4.61	12.46***	.001
AOC	4.46	3.70	4.13	13.77***	.001
COC	5.00	4.26	4.37	9.53***	.001
PC	2.33	2.57	2.74	10.88***	.001

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

#### 6.4.5.3 Commitment and Position

This next section will focus on the relationship between the level of commitment and the position held by the respondent (i.e., engineering or administration). In order to explore this relationship, a series of independent-samples  $t$ -tests were conducted. The results of these tests are shown in the following table. No significant differences were found in any of the four commitment variables on the basis of position (Engineering or Administration).

Table 20. *Commitment: Position: t-tests*

<i>Type of organisational commitment</i>	<i>Engineering (N = 384)  M (SD)</i>	<i>Administration (N = 183)  M (SD)</i>	<i>t(df)</i>	<i>p</i>
NOC	4.42 (1.37)	4.25 (1.51)	1.29 (329.48)	.199
AOC	3.98 (1.32)	4.05 (1.45)	.52 (329.09)	.607
COC	4.51 (1.50)	4.28 (1.57)	.63 (344.51)	.104
PC	2.56 (0.75)	2.64 (0.75)	1.16 (565)	.247

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

#### 6.4.5.4 Commitment and Education

In this final section, analyses will be conducted in order to explore the relationship between level of education and level of commitment. In order to test this relationship, a series of four one-way ANOVAs were conducted. The ANOVA was preferred to the independent-samples *t*-test as the independent variable, level of education, consisted of three groups: 1) individuals holding a Bachelors degree, 2) individuals holding a Masters degree, and 3) individuals holding a Doctoral degree. A summary of the results of these four ANOVAs are presented in Table 21.

None of the four ANOVAs conducted were found to be statistically significant, indicating that there were no significant differences in the level of commitment on the basis of highest degree.

Table 21. *Commitment: Level of Education: One-Way ANOVAs*

<i>Type of organisational commitment</i>	<i>Bachelors (N = 374) M (SD)</i>	<i>Masters (N = 137) M (SD)</i>	<i>Doctorate (N = 56) M (SD)</i>	<i>F-Statistic(df)</i>	<i>p</i>
NOC	4.33 (1.44)	4.29 (1.44)	4.79 (1.15)	2.83 (2, 564)	.060
AOC	3.97 (1.35)	3.92 (1.45)	4.39 (1.17)	2.67 (2, 564)	.070
COC	4.42 (1.53)	4.33 (1.55)	4.82 (1.42)	2.14 (2, 564)	.118
PC	2.57 (0.74)	2.64 (0.78)	2.58 (0.77)	0.46 (2, 564)	.632

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

#### 6.4.6 Tests of Hypotheses

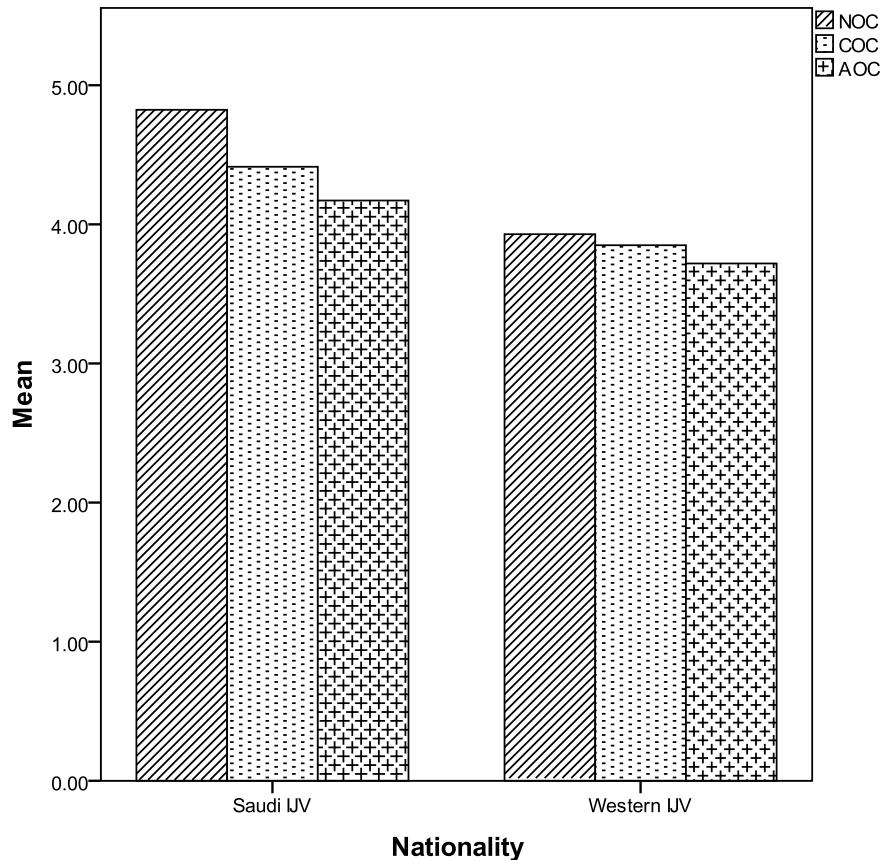
##### 6.4.6.1 The Impact of Culture on Organisational Commitment, a comparison between Saudis and Western managers within IJV Settings in Saudi Arabia

**Hypothesis 1 States:** Managers from the collectivist Saudi culture will demonstrate higher levels of organisational commitment than Western managers within IJV settings in Saudi Arabia.

This hypothesis focuses on three of the four dependent variables included in this study: Normative Organisation Commitment (NOC), Affective Organisation Commitment (AOC), and Continuous Organisation Commitment (COC). The focus of the analyses conducted here will be to compare Saudi managers working in IJV settings with Western managers in IJV settings in Saudi Arabia.

First, some descriptive statistics comparing these two groups in regard to the mean level of the dependent variables in question will be presented. Figure 7

illustrates the mean levels of these three variables for both Saudis as well as for Westerners working at an International Joint Venture. As shown, Saudis working in IJVs have, overall, higher mean scores on all three of these variables as compared with Westerners working in IJVs.



*Figure 12: Saudis in IJVs versus Westerners: NOC, COC, and AOC*

The actual mean values for these two groups of respondents can be found in Table 22. Hypothesis 1 was tested by computing independent *t*-tests comparing participants who were managers in Saudi IJVs to participants who were managers in Western IJVs on the three measures of organisational commitment. As only two groups are being compared here, Saudis in IJVs and Westerners in IJVs, it was

justified to use only *t*-tests, as compared to a one-way ANOVA, in this analysis. The results of these three *t*-tests are also presented in Table 22.

Table 22. *Organisational Commitment: Saudis in IJVs versus Westerners in IJVs: t-tests*

Type of organisational commitment	Saudi IJV ( <i>N</i> = 190) <i>M</i> ( <i>SD</i> )	Western IJV ( <i>N</i> = 200) <i>M</i> ( <i>SD</i> )	<i>t</i> ( <i>df</i> )	<i>p</i>
NOC	4.82 (1.17)	3.93 (1.53)	6.50 (370.99)***	.001
COC	4.41 (1.46)	3.85 (1.59)	3.64 (387.58)***	.001
AOC	4.17 (1.31)	3.72 (1.46)	3.23 (386.69)**	.001

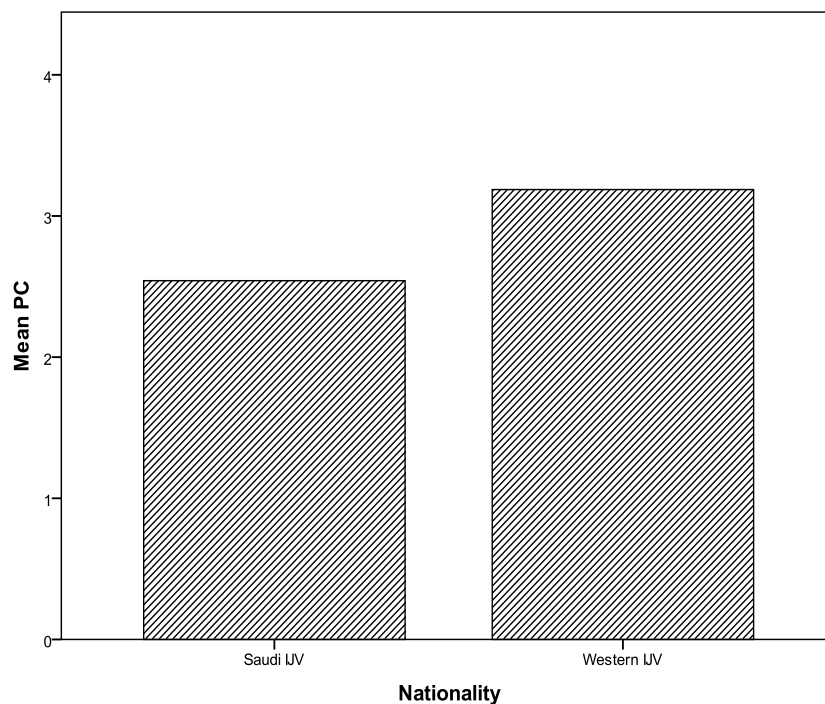
\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

As can be seen in Table 22, for each of the three measures of organisational commitment, the Saudi IJV group had a significantly higher mean score than the Western IJV group (all *ps* ≤ .001). Thus, Hypothesis 1 was fully supported such that the managers from the Saudi IJV group demonstrated higher levels of organisational commitment (Normative Organisation Commitment, Affective Organisation Commitment, and Continuous Organisation Commitment) than the Western IJV managers across each type of organisational commitment.

#### 6.4.6.2 The Impact of Culture on Professional Commitment, a comparison between Saudis and Westerns managers within the IJV Settings in Saudi Arabia

**Hypothesis 2 states:** Managers from individualistic Western cultures will demonstrate higher levels of professional commitment than Saudi managers within IJV settings in Saudi Arabia. In this hypothesis, the level of Professional Commitment is compared between respondents from Western countries and Saudis working within IJV settings in Saudi Arabia.

Initially, some descriptive statistics will be presented comparing the level of Professional Commitment between these two groups of respondents. Figure 13 presents a comparison of these two groups in regard to this variable.



*Figure 13: Saudis in IJVs versus Westerners: PC*

Table 23 presents the actual mean scores on this variable for these two groups of respondents by computing an independent-samples *t*-test. A *t*-test was conducted in order to determine whether the difference in mean score on Professional Commitment between these two groups of respondents was statistically significant. The results of this *t*-test are also presented in Table 23.

Table 23. *Professional Commitment: Saudis in IJVs versus Westerners: t-tests*

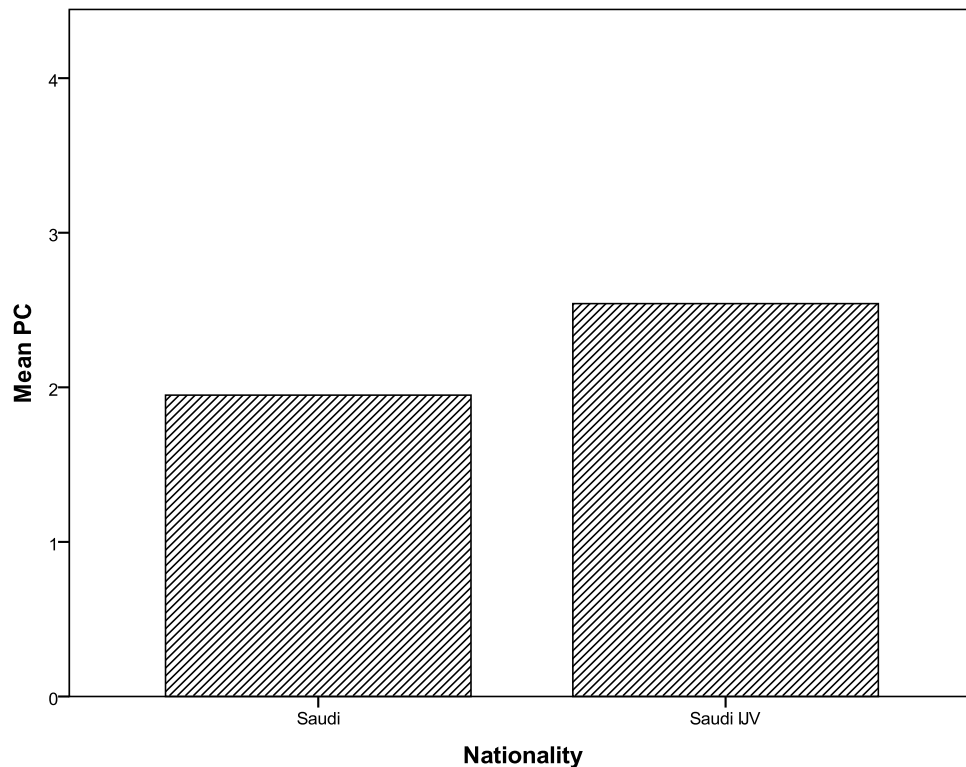
Type of	<i>Saudi IJV</i>	<i>Western IJV</i>	<i>t(df)</i>	<i>p</i>
organisational	( <i>N</i> = 190)	( <i>N</i> = 200)		
commitment	<i>M (SD)</i>	<i>M (SD)</i>		
PC	2.54 (0.80)	3.19 (0.33)	10.352 (247.62)***	.001

\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

As can be seen in Table 23, the difference in mean scores on Professional Commitment between Saudis in IJVs and Westerners was found to be statistically significant, with the Western IJV group having a significantly higher mean score than the Saudi IJV group (*p*< .001). Thus, Hypothesis 2 was supported such that the managers from the Western IJV group demonstrated a higher mean level of professional commitment than the Saudi IJV managers.

#### 6.4.6.3 The Impact of Work Environment on Professional Commitment, a comparison between Saudis IJV managers and Saudis in Saudi companies managers in Saudi Arabia

**Hypothesis 3 States:** Saudis in Western-Saudi IJVs will have a higher level of professional commitment than Saudis in purely Saudi organisations. The focus of this hypothesis is to compare the level of Professional Commitment between Saudis working in purely Saudi organisations with Saudis working in International Joint Ventures. Figure 10 presents the mean level of Professional Commitment for these two groups of individuals.



*Figure 14: Saudis in Saudi Companies versus Saudis in IJVs: PC*

As shown in Figure 14, Saudis working in IJVs were found to have higher scores on this variable, on average, as compared with Saudis working in purely Saudi



organisations. Table 24, shown below, presents the actual mean values of Professional Commitment for these two groups of respondents. Next, an independent-samples *t* test was conducted in order to test whether the mean difference in Professional Commitment between these two groups of respondents was statistically significant. The results of this *t*-test are also presented in Table 24.

Table 24. *Professional Commitment: Saudis in IJVs versus Saudis in Saudi Companies: t-tests*

Type of organisational commitment	<i>Saudi IJV</i> ( <i>N</i> = 190) <i>M</i> ( <i>SD</i> )	<i>Saudi</i> ( <i>N</i> = 177) <i>M</i> ( <i>SD</i> )	<i>t(df)</i>	<i>p</i>
PC	2.54 (0.80)	1.95 (0.44)	8.88 (297.88)***	.001

\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

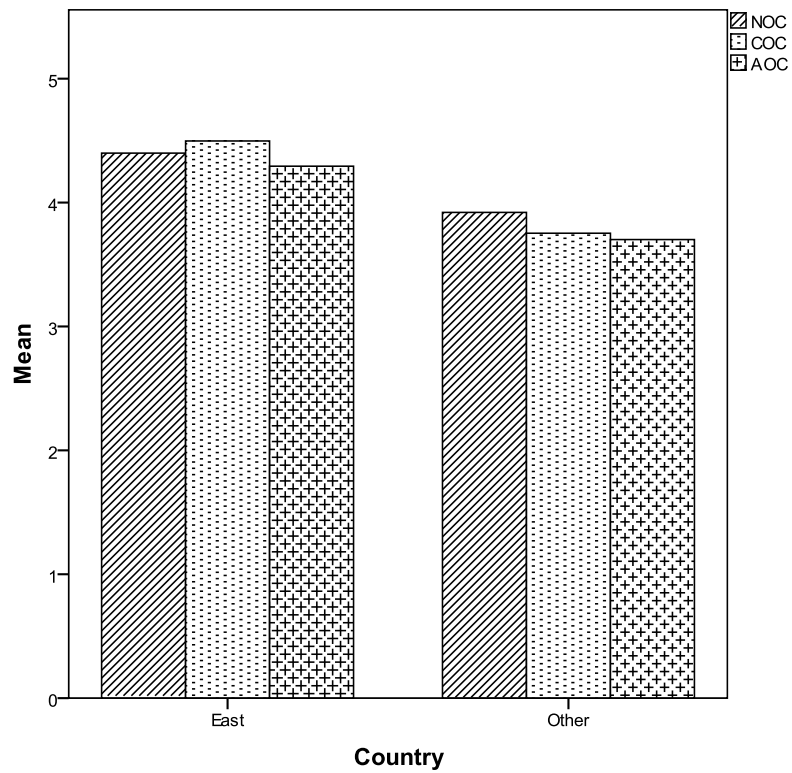
As can be seen in Table 24, the Saudi IJV group had a significantly higher mean score for professional commitment than the Saudi group working in purely domestic Saudi companies (*p*< .001). Thus, Hypothesis 3 was supported.

#### **6.4.6.4 The Impact of Expatriate Experience on Organisational Commitment Among Western Managers in IJVs within Saudi Arabia**

**Hypothesis 4 States:** Western managers who have had previous expatriate experience in a collectivist culture (Middle East & Asia) will have a higher level of organisational commitment than their western colleagues who haven't had such experience.

In other words, Hypothesis 4 proposes that for managers of Western IJVs, those with experience in Eastern cultures (*East*) will have higher levels of organisational commitment (i.e., Normative Organisation Commitment, Continuous Organisation Commitment, and Affective Organisation Commitment) when compared to managers of Western IJVs who have not worked in collectivist cultures (*West*).

Table 25 suggests that Westerners who have experience in an Eastern country (either in the Middle East or in Asia) have higher levels of organisational commitment as compared with Westerners who have not had such experience.



*Figure 15: Westerners with Experience in the East versus those without: NOC, COC, and AOC*

Next, a series of three t-tests were conducted in order to see whether these mean differences were statistically significant. The results of these tests are also presented in Table 25.

Table 25. *Organisation Commitment: Westerners: Eastern Experience vs. Others: t-tests*

<i>Type of</i>	<i>Eastern</i>	<i>Others</i>	<i>t(df)</i>	<i>p</i>
<i>organisational</i>	<i>Experience</i>	( <i>N = 97</i> )		
<i>commitment</i>	( <i>N = 66</i> )	<i>M (SD)</i>		
	<i>M (SD)</i>			
NOC	4.40 (1.37)	3.92 (1.62)	2.04*(153.60)	.043
COC	4.50 (1.47)	3.75 (1.61)	3.01**(161)	.003
AOC	4.29 (1.39)	3.70 (1.43)	2.63**(161)	.009

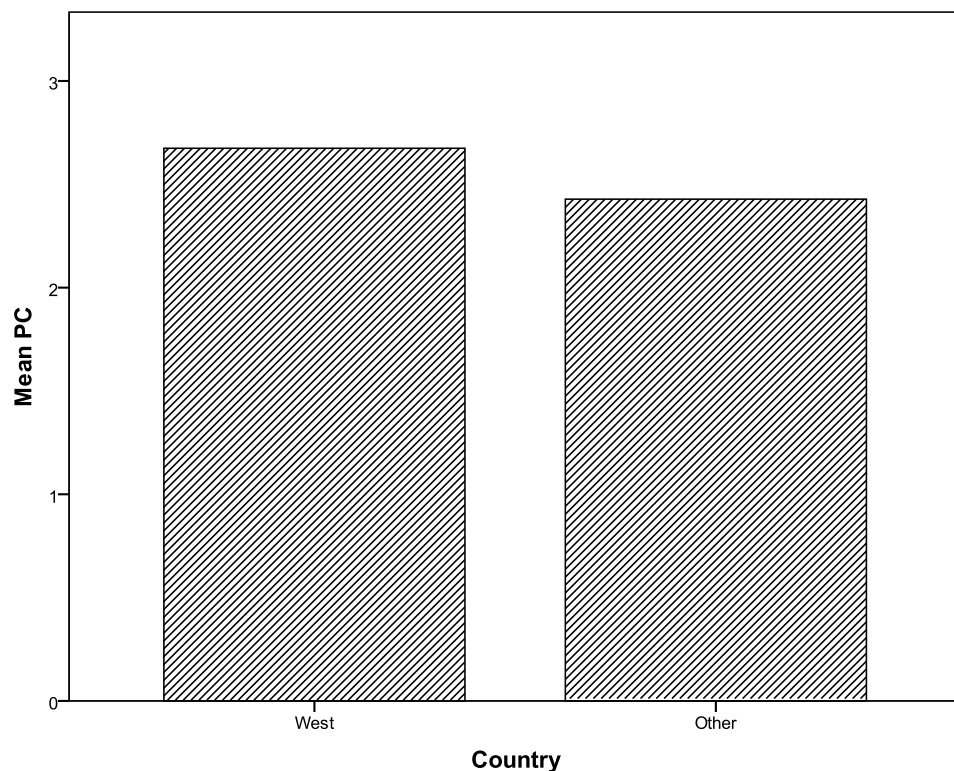
\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

As can be seen in Table 25, the East group had a significantly higher mean score than the West group for each of the three measures of organisational commitment (all  $ps \leq .05$ ). Thus, Hypothesis 4 was fully supported.

#### 6.4.6.5 The Impact of Expatriate Experience on Professional Commitment among Saudi Managers in IJVs within Saudi Arabia

**Hypothesis 5 States:** Saudi managers who have had previous expatriate experience in individualistic cultures (West) will have a higher level of professional commitment than their Saudi colleagues who have not had such experience.

In order to test this hypothesis, the mean level of Professional Commitment was compared between Saudis who have had previous expatriate experience in individualistic cultures (i.e., the West) and Saudis who have not had such experience. Initially, descriptive statistics will be presented in order to illustrate the mean differences in this variable between these two groups of respondents.



*Figure 16: Saudis with Experience in the West versus those without: PC*

As shown in Figure 16, Saudis with experience of working in a Western continent (America or Europe) do have higher scores on Professional Commitment as compared with Saudis who lack such an experience. Next, an independent-samples *t*-test was conducted in order to test whether the difference in the mean score of Professional Commitment was statistically significant between these two groups of individuals. The results of this test are summarized in Table 26 below.

Table 26. *Professional Commitment: Saudis: Western Experience vs. Others: t-tests*

<i>Type of organisational</i>	<i>Western</i>	<i>Others</i>	<i>t(df)</i>	<i>p</i>
<i>commitment</i>	<i>Experience</i>	<i>(N = 70)</i>		
	<i>(N = 50)</i>	<i>M (SD)</i>		
	<i>M (SD)</i>			
PC	2.67 (0.70)	2.43 (0.80)	1.76 (118)	.08

\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

As can be seen in Table 26, the two groups did not have significantly different mean scores (*p*> .05) for professional commitment. Thus, Hypothesis 5 was not supported.

## **6.5 Conclusion**

This chapter presented the findings of this study in three portions. The first portion reported the demographic and the descriptive statistics relating to the sample. Next, a series of sections were devoted to the second survey focusing upon individualism and collectivism, which determined that significant differences between the three groups of respondents included in the study exist with regard to individualism/collectivism. The following portion of this chapter considered the reliability of the scales that were used in this study. These analyses found that all scales had high reliability.

Next, differences in commitment on the basis of demographic variables were explored, followed by the presentation of this study's hypotheses. The analyses of the hypotheses were found to be generally supported. Hypotheses 1-4 were strongly supported on the basis of the analyses conducted here. Hypothesis 5 was not found to be supported. Overall, there were found to be important differences in levels of commitment on the basis of nationality as well as on the basis of outside country experience.

The following chapter will discuss the findings in relation to previous literature, discuss the implications of these findings, and the study's limitations as well as avenues for possible future research.

## 7. Discussion of Findings

### 7.1 Introduction

The main focus of this study was the comparison of three groups of respondents: Saudis, Saudis working at an international joint venture (IJV), and Westerners working at an IJV from the perspective national culture, organisational commitment, and professional commitment. This study sought to gain insight into the degree to which culture dimensions of collectivism and individualism are connected to organisational commitment and professional commitment, as well as how the experience and interaction of working in a multicultural work environment affected the level of organisational and professional commitment.

National culture was measured on two dimensions:

Individualism and Collectivism: *“Individualism on the one side versus its opposite collectivism, which refers to the degree to which individuals are integrated into groups.”*

Organisational commitment was measured on three dimensions:

a) Affective Organisational Commitment (AOC) which is defined as *“the employee’s emotional attachment to, identification with, and involvement in the organisation.”*

b) Continuance Organisational Commitment (COC) defined as *“the awareness of the costs associated with leaving the organisation.”*

c) Normative Organisational Commitment (NOC) defined as *“a feeling of obligation to continue employment.”*



Professional Commitment (PC) was measured as a single dimension and was defined as “*the extent to which one identifies with one's profession and accepts its values.*”

Chapter 6 presented the results of the data analysis and hypothesis testing. This chapter provides a discussion of the implications and significance of these findings. The findings will be analyzed separately, and they will also be compared to existing theory and literature. The implications of the findings for organisations will be described. Finally, the implications of these findings for future research will be presented.

## **7.2 Summary of the Data Treatment**

This study used a variety of statistical methods in order to assure the quality of the data analysis, to explore the demographic variables included in the study, and to test the hypotheses presented previously. First, frequency tables and descriptive statistics were conducted in order to better describe the sample of respondents for both surveys. Following this, normality tests were conducted on the four dependent variables relating to commitment. These tests were conducted in order to ensure that parametric tests were appropriate for these data, as these types of tests assume that the dependent variable included in the analysis is normally distributed. Specifically, measures of skewness and kurtosis were calculated for the four variables relating to organisational commitment. Initially, measures of skewness and kurtosis were conducted on these data, and all scales were found to be within the range of -2 to +2, which allowed them to be deemed to have a suitably normal distribution. This justified the application of further parametric statistical tests in the data analysis

process. Next, reliability analyses were conducted for items associated with both surveys in order to test the internal consistency reliability of these items. In order to achieve this, Cronbach's alpha was used. All five dependent variable scales for national culture and commitment were found to have an acceptably high alpha score, indicating adequate reliability.

### **7.2.1 Reliability Tests**

The individual Cronbach's Alpha scores for Normative Organisational Commitment (NOC) was 0.88, for Continuance Organisational Commitment (COC) was 0.89, for Affective Organisational Commitment (AOC) was 0.85, for Professional Commitment (PC) was 0.94, and for the National culture dimension of Individualism (IDV) was 0.76. Cronbach's Alpha scores over 0.85 for Commitment scales (but generally above 0.7) are considered to indicate acceptable levels of reliability.

In Nicholson's (2009) study in which these three components of the Organisational commitment instrument were first introduced, the reliability scores were as follows: Affective commitment: 0.83; Continuance commitment: 0.77; and Normative commitment: 0.90 (Meyer et al., 1993). Similarly, Blau's scale, which has been adopted as the PC scale in this study, has been found to be reliable with a Cronbach's alpha of .84 in initial studies (Kadyschuk, 1997). With a slightly modified version of Blau's scale, Aryee et al (1994) study had yielded an alpha reliability coefficient of .85 while studies of Bedeian et al (1991) produced a similar alpha score of .84. Also, David et al (2006) found a reliability of .89.

As mentioned, the Cronbach's alpha scores for all four dependent variables included in this study were higher than the instruments' study reliability alpha scores, indicating that all four of these scales have high reliability.

Following this, correlations were conducted between the four dependent variables of Normative Organisation Commitment, Affective Organisation Commitment, Continuous Organisation Commitment, and Professional Commitment within the commitment survey. This was done in order to determine the strength of the relationships between these four variables. The correlations between these four dependent variables were also found to be high.

### **7.2.2 Demographic Variable Analysis**

The study also conducted some descriptive as well as inferential statistical analysis on demographic variables in order to explore the relationship between the four forms of commitment and various demographic characteristics. The inferential statistics conducted in this section consisted of correlations, *t*-tests, and ANOVAs conducted between the four dependent variables (NOC, AOC, COC, PC, and IDV)

First, descriptive statistics were conducted on the demographic variables in order to explore their distribution. Specifically, this consisted of two frequency tables for the commitment survey demographic variables.

The first frequency table (Table 3) simply presented the breakdown of each of these variables by response category for all respondents included in the data set. Bar charts were also created in order to visually illustrate the distribution of each of these variables. Following this, a second frequency table (Table 4) was presented which

served to present the breakdown of all demographic variables on the basis of nationality.

Following this, a series of analyses were conducted focusing on the relationship between the demographic variables included in the commitment survey and the various forms of commitment. These analyses were conducted in order to present a full picture of the data and in order to illustrate the relationships, if any, between these variables.

A significant limitation to the significance of the demographic analyses was that only two female respondents (out of 567) for the commitment survey were included in the sample. Also, in the survey focusing on individualism and collectivism, no female respondents were found within the sample (out of 466). The fact that the total data set consisted of only two females supports the literature describing the lack of female workforce in Saudi Arabia in general and in particular in relation to our target sample companies used in the current study.

First, when one considers that the sample was drawn from the petro-chemical industry, one can consider that this industry does tend to be dominated by men (Bonin & Rowe, 2010). When considering the Saudi national sample, one can consider the limited presence of women in the workforce in general (Ahmed, 2008). According to Doumato (1999), marriage and child caring remain the major objectives for women in Saudi Arabia, which reduces the size of the female workforce. In addition to that, the data found in the current study presents evidence for the lack of female employment within IJVs in Saudi Arabia.

First of all, for the Commitment scale analysis, a significant, negative association was found between PC and years of work experience, meaning that the level of professional commitment decreased with the number of years of work experience. Conversely, the ANOVAs revealed a significant positive relationship between years of work experience and NOC as well as COC, meaning that normative and continuous organisational commitment seem to increase with the number of years of work experience.

Next, a series of ANOVAs found significant associations between all four forms of commitment and age. This supports the findings previously described, namely that normative and continuous organisational commitment appear to increase with work experience, as it can be assumed that individuals with more work experience are generally older than individuals with less work experience. In addition to that, the scores on Professional Commitment significantly decrease on the basis of older age, which supports the above findings that the level of professional commitment decreases as the years of work experience increase. This could be that as professionals reach maturity in age, they have achieved the maximum possible level of professional qualifications and reached the highest limits of progress.

Following this, *t*-tests were conducted in order to examine whether there were any significant differences in commitment on the basis of the position held by the respondent. No significant differences were found.

Finally, ANOVAs were conducted in order to determine whether there was a significant relationship between organisational commitment and the level of education. No significant results were found in this set of analyses.

While these analyses were outside the main scope of the thesis, they did serve to provide valuable information regarding the demographic variables and serve as a good starting point for further research in this area.

### **7.3 Main Findings of the Study**

#### **7.3.1 The Relationship between Organisational Commitment, Professional Commitment and National Culture**

In order to compare commitment forms between the 3 groups and the connections of the study's hypotheses with the individualism and collectivism culture dimensions that were selected for this study, an empirical study was conducted using Hofstede's (1980) survey questionnaire in order to explore the values of individualism and collectivism among respondents drawn from Western culture and Saudi culture within IJVs. It was the goal of the author to not only rely on what has been reported in the literature of the field, but also to test the validity of these data empirically. In addition to that, there are two main reasons for validating such data:

1- Hofstede has been criticised for not having reliable data about the Arab world in general and Saudi Arabia in particular.

2- In the literature, most results on collectivism and individualism were conducted on either the entire public population or some private companies.

However, for this study, the respondents came from a different environment such as the IJV companies where individuals from two or more different cultures (Western and Saudi) are working together.

No research has been conducted within the IJV setting exploring the national culture dimensions of collectivism and commitment as of the date of this current study. This will give the researcher better understanding of how interactions of different cultures may influence national values such as individualism and collectivism or commitment forms.

The results of the analyses conducted for the national culture dimension in this study found that the Saudi group scored differently from Western respondents on the individualism-collectivism scale included in the study.

The results of the analyses conducted for this study found that the Saudi group scored differently from Western respondents on the commitment variables included in the study. The extensive literature on culture and organisational behaviour following the work of Hofstede (2001) has shown that culture is very often a very strong predictor of the way that people behave in the workplace. As the two groups of respondents in the present study are from very different cultural and socio-political backgrounds, it is likely that the factor of culture can explain the differences found between these two groups.

### **7.3.2 The Impact of Culture on Organisational Commitment, a Comparison between Saudis and Western Managers within the IJV Setting in Saudi Arabia**

**Hypothesis -1**     *The managers from the collectivist Saudi culture will demonstrate higher levels of organisational commitment than Western managers within IJV settings in Saudi Arabia*

The results indicated that the Collectivism dimension of the Saudi IJV group had a significantly higher mean score than the Western IJV group.

This finding supports the current literature in the field which has found that collectivism is high among Saudis (Askary et al., 2008; At-Twairji & Al-Muhaiza, 1996). Also, the results indicated that the Saudi IJV group had a significantly higher mean score than the Western IJV group when compared on all three forms of organisational commitment. This finding supports existing theoretical perspectives on how cultural dimensions of individualism and collectivism influence organisational commitment (Cohen, 2006; Hofstede, 2001; Krishna, 2009; Triandis, 2004; Wang et al, 2002), namely that the cultural dimension of collectivism is positively correlated with organisational commitment.

Western managers with their focus on the self have less attachment to the organisation in comparison with Saudi managers who are from a culture which defines the self in the context of the group (Hofstede, 2001). In addition to this, factors such as the Islamic rules, the cultural influence of Bedouin traditions, and the perceived costs associated in remaining in or leaving the organisation provide additional support for these findings (Alanazi & Rodrigues, 2003; Ali & Al-Kazimi, 2005; Lundgren, 1998; Mababaya, 2002; Moran et al., 2007; Pillai et al., 1999; Rice, 2003, 2005). Islam is considered a significant resource for the high collectivism orientation. Saudi managers, as Muslims, are required to co-operate with other Muslims and to share one's sadness and happiness.

The results indicate that the greatest parity for Normative Organisational Commitment (NOC) was found between the Saudis and Westerners within IJVs who had ex-experience in collectivist cultures. Overall, the high level of organisational commitment identified by this study in Saudi managers working in IJVs, as well as the higher level of NOC found in this group in particular, can be explained by the



Islamic work ethic and rules. According to scholars such as Ali (1989), Cherrington (1980), Abboushi (1990), and Rice (2003), the employer too is expected to act paternalistically by taking care of employee needs and by providing just and fair rewards.

As described in Chapter 3, the Bedouin tradition is one of the underpinnings of Saudi culture. According to this tradition, cooperation and working together are important parts of life (Abdalla & Al-Homoud, 2001). Moreover, this Bedouin tradition, and the Saudi culture which has evolved from it, both place a high regard on commitment to one's family, clan, and in-group (Kalliny et al., 2006).

Compared to Westerners, the global mobility of Saudis in the international job market is limited, especially at the managerial level positions. According to Torofdar (2011), tradition and social ties (e.g. family obligations, such as looking after parents) holds back the social mobility of many Saudis. Therefore, the associated cost of leaving the organisation will be perceived to be higher by Saudis working within an IJV compared to their Western counterparts. Studies by Al-Qarioto & AL-Enezi (2004), carried out in a Jordanian context, found that employees with fewer job prospects and low overall mobility tended to have higher organisational commitment levels. In comparison, the job prospects for Western expatriate personnel are high and hence this may reduce the perceived costs they associate with leaving the organisation, reducing their level of COC. The present study confirms these findings for the importance of Saudi culture in promoting higher organisational commitment in the case of joint ventures in Saudi Arabia. Hypothesis 1 is therefore found to be supported, and this is in line with the literature on organisational commitment.

### 7.3.3 The Impact of Culture on Professional Commitment, a Comparison between Saudis and Western Managers within IJV Settings in Saudi Arabia

**Hypothesis 2:** *The managers from individualistic Western cultures would demonstrate higher levels of professional commitment than Saudi managers within IJV settings in Saudi Arabia.*

The results indicated that the Individualism dimension of the Western IJV group had a significantly higher mean score than the Saudi IJV group. This finding supports the current literature in the field that Individualism is high among Western individuals (Cohen, 2006; Hofstede, 1980, 1989, 2001; Ronen & Shenkar, 1985; Toren, 1991). The finding of the second study question also supported the link between individualistic cultures and professional commitment. The statistical significance of the difference between the mean score of professional commitment in Western managers was significantly higher than the Saudi managers working in the same IJV context. Although, studies by scholars such as Cohen (2006), Hofstede (2001) and Trinidis (2004) suggest that Westerners from individualistic cultures tend to be more focused on their own personal development and growth through the pursuit of career or professional goals. Additionally, as Hofstede (2001) states, individuals from individualistic cultures will tend to pursue better opportunities in different organisations. This study did not measure the level of opportunities available to Saudi and Western respondents and this is a possible area of future research to evaluate and explore. The higher level of professional commitment on the part of Westerners is in line with the existing literature, suggesting that here, too, culture is an important factor in the development of professional commitment.

#### **7.3.4 The Impact of a Multi-Culture Work Environment on Professional Commitment Levels, a Comparison between Saudi IJV Managers and Saudis in Saudi Companies Managers in Saudi Arabia**

Another major finding of this study is that Saudis in Western-Saudi IJVs have a higher level of professional commitment than Saudis in purely Saudi organisations. This was based on the third hypothesis to be tested in the study, namely:

**Hypothesis 3:**     *Saudis in Western-Saudi IJVs will have a higher level of professional commitment than Saudis in purely Saudi organisations.*

The theoretical concept behind this third hypothesis is that exposure to individuals from a different culture may modify that manager's own cultural identity. As our environment serves to shape and reinforce our sense of culture (Hofstede, 2001), it is presumed that a Saudi manager who is working within a Saudi organisation will experience a lower level of professional commitment (linked to the cultural dimension of collectivism) than will a Saudi manager working with Westerners (linked to the cultural dimension of individualism) in an IJV. The findings lent significant support to this notion. Specifically, it found that Saudi managers working within IJV's had significantly higher levels of professional commitment than did Saudi managers working in Saudi companies.

This finding supports existing literature which identified cultural shifts and cultural congruence through increased cross cultural exposures (Hofstede & Bond, 1988; Krishna, 2009; Pothukitchi et al, 2002). The studies of Krishna (2009) point out that when people are exposed to two cultures, they are bound to acquire certain

elements from each. Thus, Saudi managers in IJVs are likely to acquire elements of individualistic cultures and to become more professionally committed than their counterparts in purely Saudi firms.

One way to examine the effects of culture on an organisation is to look at the way that HRM practices are structured. Practices such as individual performance reviews and reward systems that promote individual achievements, which are generally adopted by Western partners in IJVs, also play a crucial role in enforcing individualistic value acquisition, and subsequently higher levels of professional commitment by the Saudi IJV managers. Such systems are the means by which cultural values are handed down from generation to generation within an organisation. Members of the organisation who participate in these systems are conditioned to adopt the underlying values. Literature supports the fact that culture influences many facets of organisational management functions including leadership style, decision making, recruitment, reward systems, and performance appraisals (House et al, 2004; Idris, 2007; Javidan & House, 2001; Mallehi, 2007; Tayeb, 2005; Trinidis, 2004).

The influence of national culture values and attitudes such as high collectivism orientations on the organisation HRM practices are found within Saudi culture (Abdulla, 1997; Doumato, 1999; Atiyyah, 1999).

The main HRM tool that improves the core competencies for employees is the Performance Appraisal evaluation, which measures the individual employee's capability of performing his job effectively and delivering data to management about how they can improve their professional skills in order to determine their training needs. However, as reported by Kanungo (1995), in the collectivist culture, there is unseen resistance to evaluate individual performance and they prefer a group or

division evaluation. These HRM practices do little to stimulate individual development, drive personal performance, or reward professional progress. The findings of this study support the literature in this view of how the high collectivism values within the Saudi group of the pure Saudi companies is less professional commitment than their colleagues: Saudis in IJV settings. Contrary to this, Western cultures driven by individualistic orientations encourage a HRM function which provides constant inducements for personal achievement and which has individual assessment schemes and reward systems in place. Career progress depends largely on individual performance rather than pure seniority, prompting individuals to perform aggressively and to seek personal and career development. Skill and qualification acquisition is encouraged through reward systems and better potential for promotions.

The differences in organisational and professional commitment levels between Saudi managers (collectivist culture) and Western managers (individualist culture) can be hypothesised to persist when individuals from these two cultures come into contact with each other for extended periods of time. Both organisational commitment and professional commitment have advantages for the organisation, and IJVs by their very nature will experience a whole range of employees possessing various levels of each.

These high levels of multiple commitment forms may enhance organisational performance. Studies by Cohen (2006); Krishna (2009), and Randall & Cote (1991) all acknowledge the possibility of such impact existence of multiple commitments within employees. It would be interesting to examine how IJVs manage these multiple commitments. Exploring the impact of multiple commitments in IJV performance is not within the scope of this study; however, this is an area in which future research could be conducted to reveal and understand such a relationship.

### **7.3.5 The Impact of Expatriate Collectivist Culture Exposure on the Level of Organisational Commitment among Western Managers in IJVs within Saudi Arabia**

The next important finding of the study was the connection between exposure to collectivist cultures and a higher level of organisational commitment. This finding was based on the testing of the following hypothesis:

**Hypothesis 4:**     *Western managers who have had previous expatriate experience in a collectivist culture (Middle East & Asia) possess a higher level of organisational commitment than their western colleagues who haven't had such experience.*

The results from the national survey focusing upon individualism and collectivism indicated that the collectivism dimension of the Western IJV group who had experience in collectivist countries had a significantly higher mean score than their colleagues who had not had such experience. In parallel with this, the results from the commitment survey indicated that the organisational commitment of the Western IJV group who had experience in collectivist countries had a higher mean than their colleagues who hadn't had such experience. This establishes a link between the independent variable (collectivism dimension) and the dependent variable (organisational commitment).

This finding is supported by the theoretical propositions of cultural adaptation and value congruence where exposure to other cultures can alter values, attitudes, and behaviour of individuals due to higher awareness of other culture orientations, empathy and possible adaptation of those values to a certain degree (Hofstede, 2007; Graen & Hui, 1996; Krishna, 2009).

Since cultural sensitivity and adaptability are considered key success factors for expatriates, those who succeed in expatriate postings in the Asian and Arab region, for example, are likely to have acquired to some degree their collectivist cultural orientations. This can be associated with the higher levels of organisational commitment they display compared to those without such exposure.

The results of the present study indicated that there is a significant difference between those Western managers with past work experience in collectivist cultures and those without such past experience. This means that hypothesis 4 is supported, which is a significant contribution to the literature on Saudi Arabian and Western joint ventures, showing how elements of the Saudi collective culture are being absorbed into joint working contexts.

#### **7.3.6 The Impact of Expatriate Individualism Culture Exposure on the Level of Professional Commitment among Saudi Managers in IJVs within Saudi Arabia**

The next important finding of the study was the inability to establish a connection between exposure to individualistic cultures and a higher level of professional commitment. This finding was based on the testing of the following hypothesis:

**Hypothesis 5:** *Saudi managers who have had previous expatriate experience in individualistic cultures (West) will have a higher level of professional commitment than their Saudi colleagues who have not had such experience.*

Although it was found, in the testing of Hypothesis 4, that Western managers who had had previous exposure to collectivist cultures were found to have higher levels of organisational commitment, the inverse hypothesis, namely that Saudi managers who had had previous exposure to individualistic cultures would be found to have higher levels of professional commitment than Saudi managers who lacked this exposure, no significant difference was found.

This finding can be attributed to several explanations. One explanation is the comparatively low propensity of highly collective cultures to adapt to new and foreign cultures (Scarborough, 2001). Robertson et al (2001) also determined through their study that Saudis are “*less susceptible to influences by external forces*” (Robertson et al, 2001) than individualistic cultures, which are more open to foreign ideas, cultures, and concepts. Results from this study which investigated the degree of convergence versus divergence of values among Arab countries suggested that “*Saudi Arabia is more steadfast in its work beliefs*” (Robertson et al, 2001). This is in keeping with the results from Hypothesis 4 where Western managers with work experience in collectivist cultures were found to possess a significantly higher level of organisational commitment than Western managers without such experience.

However, this notion does not seem to be in keeping with other results which indicated that Saudi managers who worked in IJVs had higher levels of professional commitment than did Saudi managers working in purely Saudi organisations. The results from Hypothesis 4 suggest that Saudis in IJVs have acquired individualistic values related to professional commitment due to their exposure to Western colleagues and their work values, and exposure to Western HRM practices within the IJV setting in Saudi Arabia. Triandis (1986) had identified an explanation for this apparent discrepancy. He has identified a positive connection between “*relationship*



*commitment and cultural adaptation*". He argues that due to the "*acknowledged difference in in-group/out-group consciousness, which is a manifestation of the individualism-collectivism dimension of national culture*" collectivist societies will not display a high propensity to adapt in the short run until such time as relationships are well established, and others (possessing cultural differences) are internalised into an in-group (Lin, 2004, 2005). When Saudi managers work in Western countries, they work in either real or self-imposed isolation, without the comfort of an in-group, and are more defensive than receptive of foreign cultural orientations. However, within the Western/Saudi IJVs located in Saudi Arabia, Saudi managers have a fair share of Saudi colleagues to form their own in-group, and consequently are more open to greater levels of trust, confidence and closeness to their Western colleagues working in the same IJV, incorporating them into a larger in-group. In other words, when Saudi managers were immersed in a foreign Western culture, they have formed fewer relationships than when they operated in companies which were a mixture of Saudi and Western individuals. Furthermore, when Saudi managers worked in individualistic cultures, they may have experienced a culture shock which made them more defensive than adaptive to foreign culture.

According to Triandis (1988), in-group behaviours are enormously supportive of their own members but treat the members of out-groups relatively harshly and consider them distrustfully. This will hinder the learning activities of the Saudis in Western environments. Additionally, as described above, they would be pre-disposed to be less adaptable than Western counterparts due to the nature of the cultural dimension of collectivism. Both of these may have buffered Saudi managers from adaptation to the collectivist cultures in which they worked.

## **7.4 Implications of the Findings**

The overall findings of the research provide empirical support for a relationship between the two constructs of national culture (collectivism and individualism) and organisational and professional commitment forms. While many antecedents to commitment at both personal and organisational levels have been investigated, clear empirical evidence indicating a direct connection between culture and commitment forms is indeed valuable. The findings of such a significant positive association between these constructs carries crucial implications for managing workplace diversity within multi cultural work environments which are a common factor in today's globalised economy such as IJV settings.

The findings also establish empirically that exposure to different cultural orientations can influence the level of commitments in employees in terms of organisational commitment and professional commitment, particularly in IJV settings.

This study also offers revealing findings on the flexibility and ease of cultural adaptation by employees from individualistic cultures compared to collectivist cultures. These findings offer invaluable confirmations of existing theoretical frameworks of culture and its influence on organisational and professional commitments in the Middle East and in particular Saudi Arabia.

Furthermore, the findings of this study, namely the significant connection between the cultural dimension of collectivism and higher levels of organisational commitment, and between the cultural dimension of individualism and higher levels of professional commitment, open new areas for further empirical investigations in terms of which cultural dimensions are specifically relevant to organisational and professional commitment.

While this study only focused on the cultural dimension of individualism/collectivism, other dimensions such as uncertainty avoidance, femininity/masculinity and power distance can all have varying impacts on employee commitment.

#### **7.4.1 Implications for Theory**

Although previous literature has suggested that national culture influences individual behaviour (Alvesson, 2002; Fatehi, 2008; Francesco & Gold, 1998; Hofstede, 1980; Morgan, 1986; Trompenaars & Hampden-Turner, 1998), research that investigates culture as an antecedent to the construct of employee commitment is limited and is mainly related to Western contexts (Cohen, 2000, 2006; Gelade et al., 2008; Hofstede, 2001; Triandis, 2004; Wang et al, 2002). A few studies, such as those by Krishna (2009), Al-Qarioto & AL-Enezi (2004), and Cohen (2006), explore the link between culture and commitment but do not address how exposure to collective or individualistic cultures alters the organisational commitment or professional commitment levels of employees. Nor do they address the different forms of commitment linked to specific cultural dimensions in particular in IJV settings within Saudi Arabia.

The current study, then, makes a significant contribution to knowledge and understanding of the connection between culture and employee commitment and to the body of literature on culture and organisational operations within Saudi Arabia IJVs, a field which is generally neglected in cross-cultural literature (Robertson et al, 2001; Smith et al., 2007).

Over the past decades, scholarly interest in exploring the effects of commitment on organisational performance and behaviour has produced evidence to support the contention that commitment is beneficial to organisational effectiveness (Randall et al, 1990) in terms of various factors such as retention, motivation, corporate citizenship (Cohen, 2006), empowerment (Dessler, 1999), performance, as well as withdrawal and absenteeism (Blau, 2009; Cohen, 1999, 2000, 2003; Randall & Cote, 1991). Many studies have also studied commitment as a construct in singular and multiple forms and their causal antecedents such as education, culture, gender, age, rewards, organisational learning, and tenure (Al-Qarioti & Al-Enezi, 2004; Cohen, 2006; Krishna, 2008, 2009; Baruch et al, 2002; Barruch, 1998).

However, the focus of many of these studies has been on organisational commitment, while professional commitment (also known as career commitment) has received very little attention (Blau, 2009; Cohen, 2006). This study considered the influence on culture on both forms of commitment, adding to the limited body of knowledge on professional commitment levels within IJV and purely domestic firms within the petrochemical sector in Saudi Arabia. The implication of having such results will give practitioners guidance as to how to improve such commitment, and for academic researchers to understand cross culture studies in the Middle East and particularly in Saudi Arabia within IJV settings compared to other parts of the world. Because Saudi Arabian culture has been relatively isolated in the past, the time is right to conduct more research into the way that exposure to more international cultures is beginning to change Saudi Arabian business culture. It is also important to study the ways in which Saudi Arabian culture influences other cultures when joint working provides increased opportunities for mutual sharing of ideas, experiences and working styles.

Cultural accommodation works both ways and over time the case of Saudi Arabian joint ventures will provide further evidence of the way that these processes operate.

This study also contributes to a limited body of knowledge regarding how culture operates in IJVs. It has identified that professional commitment is dominant in Western managers while organisational culture is dominant in Saudi managers. It further explored the propensity of employees from different cultures to alter their commitment levels through exposure to contrasting cultures. Studies by various proponents of cross cultural adaptation (Lin, 2004; Liu & Vince, 1999; Pothukichi et al, 2004; Sanyal & Guvenli, 2001; Selmer, 2001; Taylor and Napier, 1996b; Takeuchi et al, 2002) support the theoretical viewpoint that exposure and experience to a different culture reduces the cultural distance and also leads to the adaptation of certain elements from the foreign culture.

The empirical evidence generated by this study on whether Western managers are capable of adapting values such as collectivism from experience in Eastern cultures is rather revealing. Cultural values such as collectivism are at the other end of the continuum of their own individualistic Western cultural orientation and it is in fact a valuable and noteworthy contribution to the theory to establish that such adaptation is empirically tested and supported within the context of the petrochemical industry IJV environment in Saudi Arabia.

This can be seen as one of the key contributions to theory provided by this study. An additional contribution to theory was made by identifying evidence which empirically supports the notion that different processes of cultural adaptation occur depending on cultural orientations within that culture. While Western managers from individualistic cultures adapted high organisational commitment

when they had previous work experience in collectivist cultures, Saudis from collectivist cultures succeeded in the adaptation a high professional commitment only within the close in-group of their own IJV environment in Saudi Arabia.

The fact that they did not acquire significance difference in professional commitment through exposure to foreign employment in individualistic cultures provides empirical support for existing theories that individuals from collectivist cultures are slow to open and adapt to foreign cultures and only do so when they have established close ties with the foreign parties involved.

Finally, these findings contribute to the existing theoretical debate as to whether or not cultural values are absorbed through cross-cultural interactions and exposure to different cultures. This finding can lay the foundation for further empirical testing of the tenure and elements that contribute to closeness between employees of collectivist and individualistic cultures, and the subsequent impact these relationships have on cultural adaptation and levels of employee commitment.

#### **7.4.2 Implications for Practice**

A large number of studies have shown a positive correlation between organisational commitment and job performance (Beck & Wilson 2000; Hunter & Thatcher, 2007; Pool & Pool, 2007). Hence, understanding and managing multiple forms of commitment among the employees can enhance organisational performance by deriving the positive influence of both organisational commitment and professional commitment in employees, and these two forms will vary in their degree of dominance, and are not mutually exclusive (Cohen, 2006; Krishna, 2009; Randall & Cote, 1991). Therefore, employees can develop high levels of organisational and professional commitment at the same time.

In this light, practitioners within IJVs can explore avenues to develop professional commitment in employees who are from collectivist cultures while developing organisational commitment in those from highly collectivist cultures. This will help employees have a well-balanced commitment where they will be willing to perform individually and pursue self-achievement and professional development within organisations that help them flourish in their professional and career path. When organisations manage to create such environments promoting the professional development of their employees, there is a greater chance that the employees will increase their organisational commitment in terms of affective, continuous and normative aspects (Blau, 2009).

#### ***7.4.2.1 Developing professional and organisational commitment in Saudi organisations***

Investors considering Saudi Arabia for FDI activities will no doubt find these results interesting in that, despite the foreign component involved in the IJV, the Saudi managers have more organisational commitment than their Western counterparts. This may give them better assurance in adapting polycentric staffing policies where qualified Saudi managers can be appointed to senior positions in Western-Saudi IJVs. Knowing that Saudi managers have comparatively higher organisational commitment than their Western counterparts in the same work environment (though their Western counterparts usually enjoy a significantly more lucrative expatriate compensation package) may facilitate less costly and more effective staffing decisions.

Furthermore, noting the beneficial influence of the some Islamic rules regarding the business-related values on organisational commitment, Western HRM practitioners working in foreign multinationals or IJV operations in Saudi Arabia can incorporate and promote the aspects of this work ethic into the organisation in order to enhance the employees' levels of organisational commitment.

The practitioners of HRM in purely Saudi firms may pay attention to incorporating some of the performance assessment and reward systems that encourage individualistic performance and achievement.

Through this, purely domestic firms can improve their competitiveness to face the onslaught of global competition which they will face in the near future (Forman et al., 2005). Having joined the World Trade Organisation, the Saudi government will need to hold back the tariff barriers and open up its economy for competition from the outside world.

The findings carry a clear signal to the Saudi government of the serious need to implement programs that encourage Saudi employees in domestic firms to improve their professional qualifications and focus on personal career growth through individual performance. These elements which in the past may have been perceived as "Western" practices, dependent on alien cultural values, are now being experienced through the example of joint ventures as components of a joint organisational system which increases competitiveness, while retaining the best of both Western and Saudi cultural values. This is an important insight for Saudi firms which will no doubt have far reaching consequences in the coming decades as more collaboration with international partners is planned.



The finding that Saudis in IJVs have a higher level of professional commitment than their counterparts in purely Saudi firms has implications for practitioners as well as the Saudi government. They may wish to direct their own workforce towards acquiring professional qualifications such as degrees, memberships in professional and management bodies and become certified in various professions. This can be implemented through national level awareness campaigns and publishing comparative studies such as the current study to change the social mindset of Saudis who may not perceive such qualifications as important requirements to be employed and perform well in purely Saudi firms, as social connections are the norm for being recruited into a firm.

By implementing such national-level programs, the level of professional commitment in Saudi managers in Saudi firms can be improved which is important for Saudi Arabia to compete well in the world economy.

While the commitment of the employee to one's organisation is essential for organisational performance, their individual performance drives the productivity of the organisation. Saudi Arabia has made significant improvement in the business world in terms of world competitive rankings, moving up from 23<sup>rd</sup> to 16<sup>th</sup> in the year 2008 (Saudi Arabia General Investment Agency, 2010). This ranking depends on a number of factors cited by the International Finance Corporation, the World Bank's private sector development affiliate on procedures and regulations affecting businesses; ease of starting a new venture, employment laws and enforcement of contracts, as well as quality of infrastructure and the productivity of the work force.

The target of the Saudi government is to move up to be within the top 10 by the year 2020 (Saudi Arabia General Investment Agency, 2010). To achieve this, the government needs to address *“increasing the work force productivity through wide*

*reforms that aim to promote individual performance and productivity through aggressive personal performance” (Saudi World Competitiveness Ranking Soars, 2008).*

#### **7.4.2.2 Planning expatriate assignments**

Considering the findings on how previous experience in other cultures affects levels of organisational commitment or professional commitment in managers can help HRM practitioners as well as senior managers in planning expatriate assignments more effectively. Figures show that 60-75% of expatriate postings end in failure where failure is defined as premature return (Adler, 2007). This figure does not include those who continue unsuccessfully in the task until the full term of the assignment.

This study sheds light on how significant previous experience in similar cultures is to improving an expatriate’s cultural adaptability. Therefore, multinational or transnational firms engaging or planning to engage in cross-culture business operations in Eastern cultures will do well to select expatriates who have previous experience in similar cultures. Also to note is the need to invest in training a second tier of expatriates under highly experienced senior expatriates so that the organisations possess a full cadre of expatriates with previous experience in various cultural settings. While such training can be costly, it will be offset by the savings the company stands to gain by having less expatriate failures in the future and through the competencies of well-developed expatriate staff.

## **7.5 Limitations of the Study**

The study was limited to organisations in the petrochemical industrial sector where the employees are generally from engineering and technical backgrounds. In the author's opinion, this could influence the importance the Saudi sample placed on professionalism. Moreover, the IJVs were taken as Western-Saudi IJVs where the comparison was made between Westerners and Saudis within them. The Westerners in this case consisted of Europeans and Americans. While it holds true that Westerners commonly share individualistic cultures compared to Saudis, there is a disparity in the level of individualism between Western countries such as the USA vs. Germany (Hofstede, 2001).

This study was limited to two of the dimensions of national culture included in Hofstede's (1980) model, individualism and collectivism only. Other dimensions, such as uncertainty avoidance, femininity/masculinity, and power distance, all of which can have varying impacts on employee commitment, were not selected for use in this current study.

An additional limitation consists of the possibility that the nature of the population (e.g., individuals seeking employment or those who work for extended periods of time in a culture different to their own) may have cultural attributes and attitudes different from the general population. This in turn may have affected this study's findings. It appears that this type of limitation would be present in all studies of this nature, while future studies could potentially include an additional number of survey items in order to help control for this potential bias.

Finally, it is not easy to control for the effect of organisational culture on national culture values within IJVs; thus, within the research study, the researcher acknowledged that the influence of organisational culture might be present within the data's results.

## **7.6 Recommendations for Further Research**

The main objective of this study was to investigate whether differences in culture influence the type of commitment within employees and whether exposure to opposite cultures can alter the levels of commitment forms in employees. While the study led to some insightful findings in these areas, it also unearthed opportunities and areas for future research within this field.

This study only investigated and empirically explored the individualism/collectivism dimensions within IJVs in Saudi Arabia and investigated the impact of these two dimensions on the commitment forms. Additional research exploring the other dimensions of national culture such as power distance, masculinity/femininity, and uncertainty avoidance could be conducted within IJV settings, which would add valuable insight into the current body of knowledge. Also, additional research could be conducted in order to investigate the impact of these national dimensions on professional and organisational commitment.

Secondly, this study only focused on how culture interactions within the IJV environment in Saudi Arabia and its impact on the organisation and professional commitments levels. Greater opportunity for further research exists to study the influence of other cultural interaction within the IJV environment in other collectivist and individualist countries.

Knowledge generated through such studies can help to compare the results and promote success in cultural interaction between IJV partners from distant cultures.

Thirdly, this study only concentrated on comparing Western-Saudi IJV managers with purely Saudi firm managers. A future study can incorporate another group into the investigation by adding a sample from purely Western firms. Scholars from Western countries could collaborate with Saudi scholars to conduct such a study by gaining access to sample populations in Western firms and in Saudi Arabia at the same time.

Fourthly, future research can also investigate the difference of commitment forms and levels between IJVs and Saudi Government Agencies and Authorities, as this study only focused on private sector companies. These Agencies and Authorities operate in a closed environment with little interaction and dynamism. Hence, it is therefore an interesting and significant area for empirical testing to investigate the relationships between these variables.

Lastly, it would be interesting to investigate and seek empirical evidence as to whether commitments of multiple forms within one organisation such as an IJV will contribute to better organisational performance. In a number of previous studies (Cohen, 2006; Krishna, 2009; Randall & Cote, 1991), it has been stated that understanding multiple forms of commitment among the employees can enhance organisational performance.

## 7.7 Conclusions

This study attempted to investigate the impact of national culture on employees' commitment by focusing on managers of IJV companies and managers in purely Saudi companies in the petrochemical sector of Saudi Arabia. In line with this, the researcher developed a construct framework for understanding the relationship between and influence of national culture and type of organisation commitment (affective, continuance, normative) and professional commitment of selected companies in the Middle East, with Saudi Arabia being the case in point. This study sought to examine how working in an IJV impacted the cultural profile of Saudi managers and their western colleagues.

This study also sought to examine the hypothesised connection between higher levels of collectivism and organisational commitment as well as higher levels of individualism and professional commitment. It also sought to examine whether levels of organisational and professional commitment could be modified through working in a multi-cultural work environment.

The findings presented in the earlier relevant literature on the subject have differences and similarities to this study. In previous research, researchers have identified a connection between culture and organisational behaviour and performance (House et al, 2004; Mallehi, 2007); only a few empirical studies have examined the impact of culture on employee commitment in cross cultural settings (Black, 1999; Wang et al, 2002); fewer have explored the connection between national culture and employee commitment in a Middle Eastern context (Cohen, 2006) and in Saudi Arabia in particular (Al-Meer, 1993). While there have been several references in the literature to a possible relationship between national culture

commitment forms, this study empirically examines its hypotheses within IJVs in Saudi Arabia, which provides a different approach as compared with previous studies in terms of the environment used.

An important methodological finding of the present study is that Hofstede's cultural dimensions (Hofstede, 1980) provide a valid tool for examining the differences and similarities between managers from Western and Saudi cultural backgrounds. The empirical testing of the individualism and collectivism dimensions among the study sample gave support similar to Hofstede's findings that Saudi managers are higher in their collectivism values than Western managers. Although Hofstede's results about the Arab world incorporate weaknesses, this study provided an empirical finding that supports Hofstede's view.

It was found that a significant positive association does exist between individualism and professional commitment, as well as between collectivism and organisational commitment. It was also found that Saudi managers who worked in IJVs had higher levels of professional commitment than did their counterparts working in pure Saudi organisations.

It is significant that this adaptation works both ways, with Western and Saudi managers moving towards the cultural norms of the opposite culture, while still retaining their own culture's basic orientation.

An interesting result, and one which perhaps could not have been predicted from the theory alone, was the fact that hypothesis 5 was not supported. Western managers who had worked previously in collectivist cultures were also found to be higher in organisational commitment than their counterparts who had not worked previously in a collectivist culture, but no significant difference was found between

the levels of professional commitments of Saudi managers who had worked previously in an individualistic society and their counterparts who had not.

The main limitations of the current study are the influence of organisational culture values that managers acquired from their company, and the national culture accumulated values that the manager acquired in their own life. It is hard to separate these values within this study and this can produce unreliable data in measuring these values with regard to forms of commitment.

In this study, the author used the effect of collectivism and individualism on the level of organisational commitment and professional commitment; however, the level of commitment can be affected by other cultural values such as uncertainty avoidance; femininity/masculinity and power distance can also impact the results of employee commitment. While this study has some limitations, it also provides a strong contribution to the field and current practice. The current study makes a significant contribution to the body of literature on culture and organisational IJV operations within Saudi Arabia, a field which is generally neglected in cross-cultural literature.

The findings are significant in that they contribute to the limited body of literature on the connection between individualism-collectivism and organisational commitment and professional commitment. The findings also contribute to an understanding of how an individual's cultural profile can be influenced (or not) through exposure to other cultures.

In Hofstede's (1980) study, he had included data about Saudi Arabia in an Arab category. In this study, a questionnaire from Hofstede's (1980) was included to empirically explore the culture-related dimensions of collectivism and individualism based on the literature to investigate the strength or otherwise of collectivism and



individualism of Saudi respondents and Western respondents within IJV settings in Saudi Arabia. This empirical test is one of the most important issues in this research study. It has not been explored before, and its inclusion here has made a significant contribution to this study.

Another major contribution of this study was the examination of the theoretical connections of the national culture variable on the level of organisational commitment and professional commitment among Saudi-Western managers working in IJV companies and Saudi managers working in purely domestic Saudi companies in Saudi Arabia. This will provide a better understanding and comparison in the field of cross-cultural data about Saudi Arabia. The secondary contribution was the importance of revealing the impact of the interaction between two different national cultures on manager commitment, particularly within International Joint Ventures in Saudi Arabia. The results of statistical analyses showed that national culture did significantly influence the level of organisational and professional commitments for the samples of managers classified as Western culture and Saudi culture in general, and managers of Saudi-Western IJVs and managers of purely domestic Saudi companies in particular. The results of statistical analyses of this study also revealed and supported the notion that cultural values are absorbed through cross-cultural interactions and exposure to different cultures. The majority of multinational organisations, in particular IJVs, employ expatriate workforce; consequently, this study also added to our understanding of employee attitudes and behaviours within a multinational setting. The level of organisational and professional commitment of employees which operate within a cross-cultural environment has practical significance for human resources development strategy plans, which can be

developed to maximise employee commitment. An additional contribution to theory was made by identifying evidence which empirically supports the notion that different processes of cultural adaptation occur depending on cultural orientations within that culture. While Western managers from individualistic cultures adopted high organisational commitment when they had previous work experience in collectivist cultures, Saudis from collectivist cultures succeeded in the adaptation a high professional commitment only within the close in-group of their own IJV environment.

The findings of this study can be used to guide additional applied research that look for developing strategies to construct high commitment in multinational organisations with a global workforce. Importantly, the results also reveal a potential advantage for organisations seeking to operate in Saudi Arabia.

As both professional and organisational commitments have been found to have significant benefits for the organisation, the results indicate that Saudi IJVs may offer more advantages than would pure-Saudi companies. This notion can be extrapolated further, suggesting that culturally diverse organisations may offer more advantages than would homogenous organisations. Finally, the results suggest that it is possible to increase a collectivist employee's level of professional commitment and an individualist employee's level of organisational commitment through a variety of practices, including exposure to other cultures, and the implementation of specific HR practices designed to promote either organisational commitment or professional commitment. Given that foreign investment has significantly increased since 2005 when Saudi Arabia joined the WTO, this indicates that the multicultural work environments found in IJVs will become more and more prevalent in Saudi Arabia in the coming years. Thus, the research carried out in this study is therefore important

for understanding how cultural interactions within these environments affect employee levels of organisational and professional commitment at the present time and how managers may wish to approach setting up systems for future joint ventures in such a way that cultural strengths in both Saudi and Western employees are harnessed in a productive way. These results will give practitioners guidance on how to improve commitment and for academic researchers to understand cross-cultural studies in Saudi Arabia compared to other parts of the world. The findings here lead to the conclusion that national culture is much more than the dissimilarity between one country and another. Researchers ought to, as a result, be cautious in comparing multinational companies in the form of IJVs, particularly in one country, without a more detailed explanation and analysis of the cultural differences within it. The approach of the current study can be generalised to other regions, so researchers of other countries can apply the concept approach of this study for comparative advantage. A deeper understanding of the Saudi manager and his surroundings can be tremendously beneficial to foreign businessmen. We see it as part of our mission as researchers to develop this understanding.

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**Appendix A:** Required Sample Size for Finite Populations for Estimates of Population Percentages to be Accurate within 5% in 95% of the Times that a Sample is selected.

$N - n$	$N - n$	$N - n$	$N - n$	$N - n$
10 – 10	100 - 80	280 - 162	800 - 260	2800 - 338
15 – 14	110 – 86	290 – 165	850 - 265	3000 – 341
20 – 19	120 - 92	300 - 169	900 - 269	3500 – 346
25 – 24	130 - 97	320 – 175	950 - 274	4000 - 351
30 – 28	140 - 103	340 – 181	1000 - 278	4500 – 354
35 – 32	150 - 108	360 – 186	1100 - 285	5000 – 357
40 – 36	160 - 113	380 – 191	1200 - 291	6000 – 361
45 – 40	170 - 118	400 – 196	1300 - 297	7000 – 364
50 – 44	180 - 123	420 – 201	1400 - 302	8000 – 367
55 – 48	190 - 127	440 – 205	1500 - 306	9000 - 368
60 – 52	200 - 132	460 – 210	1600 - 310	10000 – 370
65 – 56	210 - 136	480 – 241	1700 - 313	15000 – 375
70 – 59	220 - 140	500 – 217	1800 - 317	20000 – 377
75 – 63	230 - 144	550 – 226	1900 - 320	30000 – 379
80 – 66	240 - 148	600 – 234	2000 - 322	40000 – 380
85 – 70	250 - 152	650 – 242	2200 - 327	50000 – 381
90 – 73	260 - 155	700 – 248	2400 - 331	75000 – 382
95 – 76	270 - 159	750 – 254	2600 - 335	100000 – 384

*Note:*  $N$  is the population size and  $n$  is the required sample size.

## **Appendix B:** List of Companies Included in the Study

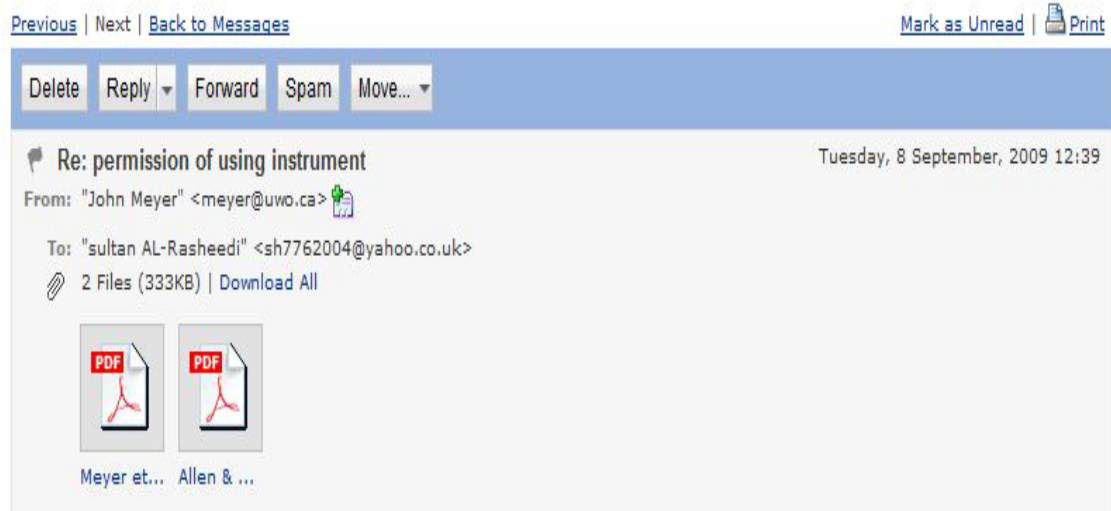
Table Showing the companies conducted in this research: the Number of Questionnaires to Distribute to Each Company to Achieve Target Sample Size

Firm Type	Firm Name	Number of Employees	Questionnaires to Distribute
IJV Companies	KEMYA Co.	527	60
	Henkel Saudi Arabia Detergents Company	350	40
	Saudi Aramco Shell Refinery Company	560	63
	Saudi Aramco Mobil Refinery Company	960	109
	Saudi Arabia Petrochemical Company	800	91
	South Rub Al Khali Company	108	12
	Saudi European Petrochemical Company	500	56
	Saudi Arabian Markets and Shell Lubricants Company	100	12
	Saudi Arabian Chevron –Joint operation	700	79
	<b>TOTAL</b>	<b>4,605</b>	<b>522</b>
Purely Saudi Companies	Saudi Metal Coating Company	65	7
	National Drilling Company - Saudi Arabia	190	21
	Saudi Paint Company	196	21
	Saudi Polyolefin's Company	600	67
	Saudi Industrial Detergents Company	700	79
	National Methanol Company	280	33
	Safra Company	420	47
	SADAF, Saudi Petrochemical Co	300	35
	IBN SINA National Methanol Co.	200	23
	<b>TOTAL</b>	<b>2,951</b>	<b>333</b>
	<b>GRAND TOTAL</b>	<b>7,556</b>	<b>855</b>



## Appendix C: Permission Letters for the Use of Scales

### C.1 Meyer and Allen's Organisational Commitment Scale (2004)



Dear Sultan,

You can get a license to use the commitment scales for academic research by going to the following website and following the instructions: [www.employeecommitmentresearch.com](http://www.employeecommitmentresearch.com). I have attached copies of articles that address the reliability and validity of the scales. We are currently working on putting together normative data, but I do not have this available yet. I hope all goes well with your research.

Best regards,  
John Meyer

### C.2 Blau's Professional Commitment Scale (2004)

---

**From:** GARY J. BLAU [mailto:[gblau@temple.edu](mailto:gblau@temple.edu)]

**Sent:** Mon 9/7/2009 5:13 PM

**To:** Al-Rasheedi, Sultan

**Cc:** Gary Blau

**Subject:** Re: Permission of using instrument

Hi - you have permission to use my measure, there no fees. My PC has a bad virus and I do not know when I can send you an electronic copy of my measure. A full version is listed in a 2003 Journal of Occupational & Organizational Psychology article. can you access this? if not as soon as my PC is fixed I will send to you. good luck with your research, :)

gary b.

On Sun, Sep 6, 2009 at 7:24 AM, Al-Rasheedi, Sultan <[S.al-Rasheedi@warwick.ac.uk](mailto:S.al-Rasheedi@warwick.ac.uk)> wrote:

Gary Blau, Ph.D.  
Temple University

Dear Dr. Blau,

## **Appendix D: Two Survey Questionnaires**

### **Survey Questionnaire**

#### **National culture and commitment**

Dear Participant,

You are invited to participate in a survey that I am conducting as part of the work for my doctoral thesis. I hope that you will be able to spare around 20 minutes of your time to complete the questionnaire on the following pages.

The purpose of this study is to examine the relationship between national culture and commitment, and the study will be within the context of the Saudi Arabia environment. There is no focus in this survey on individuals. Thus if you participate, your answers will be combined with answers from other participants as raw material which will be used in the analysis. Your participation is voluntary, and all the information you provide will remain completely confidential. The questionnaire does not ask for any participant identifiable information. The information you supply will not be used for any purpose other than for this research.

Your participation in this survey is extremely important to the successful completion of my thesis. Please remember that it is important to answer every question.

#### **How To Return this Questionnaire**

Please seal the completed questionnaire in the accompanying stamped and addressed envelope and deposit the envelope in the mail. Alternatively, you can return the sealed envelope to the staff member in your organisation who distributed it to you, and that person will return it to me.

I thank you for your valuable time.

Sincerely,

Sultan Al-Rasheedi

Doctoral Candidate

University of Warwick

s.alrasheedi@warwick.ac.uk

**Section 1: Demographic Information**

Please answer each question by circling the number that corresponds to your answer or by filling in the appropriate blank. For example, for the first question if you are male, please circle the [2] beside Male.

1. Are you:

[1] Female

[2] Male

2. What is your nationality?

[1] Western

[2] Saudi

[3] Other

3. What year were you born in? \_\_\_\_\_.

4. How many years have you been working with your current organisation? \_\_\_\_\_ years.

5. Which one of the following best describes your position within the organization?

[1] Engineering

[2] Administration

6. What is your highest level of education?

[1] Bachelor's degree

[2] Master's degree

[3] Doctoral degree

7. Did you work outside of your home country before you began your job in Saudi Arabia?

[1] Yes

[2] No

8. Apart from your home country, in what other country or countries have you worked:

\_\_\_\_\_.

9. What is the total length of time that you have worked outside your home country in years:

\_\_\_\_\_ years.

## Section 2: National Culture and Organisation commitment

This section contains statements about understanding the relationship between the national culture and organisation commitment. For each statement, please write a check mark or an X on the small circle above the response that best reflects your feelings about the statement. For example, for the first statement, if you feel neutral about this statement, please write a check mark or an X on the circle above “4. Neutral” that is immediately below the statement. If you wish to comment on any of the statements, or if you wish to qualify your answer, you may use the margins or a separate sheet of paper. There are no right or wrong or good or bad answers.

1. Right now, staying with my organization is a matter of necessity as much as desire.

☐ ☐ ☐ ☐ ☐ ☐ ☐

1. Strongly disagree   2. Disagree   3. Slightly disagree   4. Neutral   5. Slightly agree   6. Agree   7. Strongly agree

2. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.

☐ ☐ ☐ ☐ ☐ ☐ ☐

1. Strongly disagree   2. Disagree   3. Slightly disagree   4. Neutral   5. Slightly agree   6. Agree   7. Strongly agree

3. I do not feel like “part of the family” at my organization.

☐ ☐ ☐ ☐ ☐ ☐ ☐

1. Strongly disagree   2. Disagree   3. Slightly disagree   4. Neutral   5. Slightly agree   6. Agree   7. Strongly agree

4. If I had not already put so much of myself into this organization, I might consider working elsewhere.

☐ ☐ ☐ ☐ ☐ ☐ ☐

1. Strongly disagree   2. Disagree   3. Slightly disagree   4. Neutral   5. Slightly agree   6. Agree   7. Strongly agree

5. I do not feel “emotionally attached” to this organization.

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1. Strongly disagree	2. Disagree	3. Slightly disagree	4. Neutral	5. Slightly agree	6. Agree	7. Strongly agree

6. I would not leave my organization right now because I have a sense of obligation to the people in it.

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1. Strongly disagree	2. Disagree	3. Slightly disagree	4. Neutral	5. Slightly agree	6. Agree	7. Strongly agree

7. I would be very happy to spend the rest of my career with this organisation.

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1. Strongly disagree	2. Disagree	3. Slightly disagree	4. Neutral	5. Slightly agree	6. Agree	7. Strongly agree

8. Too much of my life would be disrupted if I decided I wanted to leave my organization now.

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1. Strongly disagree	2. Disagree	3. Slightly disagree	4. Neutral	5. Slightly agree	6. Agree	7. Strongly agree

9. It would be very hard for me to leave my organization right now, even if I wanted to.

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1. Strongly disagree	2. Disagree	3. Slightly disagree	4. Neutral	5. Slightly agree	6. Agree	7. Strongly agree

10. This organization has a great deal of personal meaning for me.

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1. Strongly disagree	2. Disagree	3. Slightly disagree	4. Neutral	5. Slightly agree	6. Agree	7. Strongly agree

11. Even if it were to my advantage, I do not feel it would be right to leave my organization now.

- |                       |                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Slightly disagree  | 4. Neutral            | 5. Slightly agree     | 6. Agree              | 7. Strongly agree     |

12. I do not feel any obligation to remain with my current employer.

- |                       |                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Slightly disagree  | 4. Neutral            | 5. Slightly agree     | 6. Agree              | 7. Strongly agree     |

13. I really feel as if this organization's problems are my own.

- |                       |                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Slightly disagree  | 4. Neutral            | 5. Slightly agree     | 6. Agree              | 7. Strongly agree     |

14. I do not feel a strong sense of "belonging" to my organization.

- |                       |                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Slightly disagree  | 4. Neutral            | 5. Slightly agree     | 6. Agree              | 7. Strongly agree     |

15. I would feel guilty if I left my organization now.

- |                       |                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Slightly disagree  | 4. Neutral            | 5. Slightly agree     | 6. Agree              | 7. Strongly agree     |

16. This organization deserves my loyalty.

- |                       |                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Slightly disagree  | 4. Neutral            | 5. Slightly agree     | 6. Agree              | 7. Strongly agree     |

17. I owe a great deal to my organization.

- |                         |                       |                         |                       |                       |                       |                       |
|-------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/>   | <input type="radio"/> | <input type="radio"/>   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly<br>disagree | 2. Disagree           | 3. Slightly<br>disagree | 4. Neutral            | 5. Slightly<br>agree  | 6. Agree              | 7. Strongly<br>agree  |

18. I feel that I have too few options to consider leaving this organization.

- |                         |                       |                         |                       |                       |                       |                       |
|-------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/>   | <input type="radio"/> | <input type="radio"/>   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly<br>disagree | 2. Disagree           | 3. Slightly<br>disagree | 4. Neutral            | 5. Slightly<br>agree  | 6. Agree              | 7. Strongly<br>agree  |

Please turn the page and continue with Section 3.

### Section 3: National Culture and Professional commitment

This section contains statements about understanding the relationship between the national culture and professional commitment. As before, for each statement please write a check mark or an X on the small circle above the response that best reflects your feelings about the statement. If you wish to comment on any statements, or if you wish to qualify your answer, you may use the margins or a separate sheet of paper. There are no right or wrong or good or bad answers. Note that some of the statements below are similar to the statements above in Section 2.

19. I feel an obligation to remain in my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

20. I have too much invested, e.g. education, personal effort, in my profession to change professions at this time.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

21. I would feel guilty if I left my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

22. I strongly identify with my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

23. It would be very costly for me, income-wise, to switch my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |



24. It would be hard emotionally for me to change from my profession because of the difficulties it would impose on my family.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

25. If I left my profession, I feel that I would have desirable options to pursue.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

26. I have too much time invested in my profession to change professions.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

27. I am happy to have entered my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

28. I am enthusiastic about my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

29. Given my background and experience, there are other attractive alternatives available to me in other professions.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

30. I am pleased that I have many alternatives available for changing professions.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

31. I am in my profession partly because of a sense of loyalty to it.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

32. For me to enter another profession would require giving up a substantial investment in training.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

33. Even if it were to my advantage, I do not feel that it would be right to leave my profession right now.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

34. I would have many options if I decided to change professions.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

35. I like being a member of my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

36. I believe that people who have been trained in my profession have a responsibility to stay in that profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

37. I am proud to be in my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

38. I feel a responsibility to continue in my profession.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

39. There would be a great emotional price involved, e.g. disrupted interpersonal relationships, in changing professions.

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1. Strongly disagree  | 2. Disagree           | 3. Agree              | 4. Strongly agree     |

Please indicate any general comments you have about this survey in the space below:

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Please see the first page for instructions how to return the questionnaire.

Thank you very much for your help.

# Survey Questionnaire

## Cultural Related Values

Dear Participant,

You are invited to participate in a follow-up survey that I am conducting as part of the work for my doctoral thesis. I hope that you will be able to spare around 5 minutes of your time to complete the questionnaire on the following pages.

The purpose of this study is to examine the relationship between national culture and commitment, and the study will be within the context of the Saudi Arabia environment. This follow-up questionnaire focuses specifically on the cultural aspects of work related values. There is no focus in this survey on individuals. Thus if you participate, your answers will be combined with answers from other participants as raw material which will be used in the analysis. Your participation is voluntary, and all the information you provide will remain completely confidential. The questionnaire does not ask for any participant identifiable information. The information you supply will not be used for any purpose other than for this research.

Your participation in this survey is extremely important to the successful completion of my thesis. Please remember that it is important to answer every question.

### **How to Return this Questionnaire**

Please seal the completed questionnaire in the accompanying stamped and addressed envelope and deposit the envelope in the mail. Alternatively, you can return the sealed envelope to the staff member in your organisation who distributed it to you, and that person will return it to me.

I thank you for your valuable time.

Sincerely,

Sultan Al-Rasheedi

Doctoral Candidate

University of Warwick

s.alrasheedi@warwick.ac.uk

**Section 1: Demographic Information**

Please answer each question by circling the number that corresponds to your answer or by filling in the appropriate blank. For example, for the first question, if you are male, please circle the [2] beside Male.

1. Are you:

[1] Female

[2] Male

2. What is your nationality?

[1] Western

[2] Saudi

[3] Other

3. What year were you born in? \_\_\_\_\_.

4. How many years have you been working with your current organisation? \_\_\_\_\_ years.

5. Which one of the following best describes your position within the organization?

[1] Engineering

[2] Administration

6. What is your highest level of education?

[1] Bachelor's degree

[2] Master's degree

[3] Doctoral degree

7. Did you work outside of your home country before you began your job in Saudi Arabia?

[1] Yes

[2] No

8. Apart from your home country, in what other country or countries have you worked:

\_\_\_\_\_.

9. What is the total length of time that you have worked outside your home country in years:

\_\_\_\_\_ years.

## Section 2: Cultural related values

People differ in what is important to them in a job. In this section, we have listed a number of factors which people might want in their work. We are asking you to indicate how important each of these is to you. In completing the following section, try to think of those factors which would be important to you in an ideal job; disregard the extent to which they are contained in your present job. PLEASE NOTE: Although you may consider many of the factors listed as important, you should use the rating “ of utmost importance” only for those items which are of the *most* important to you. With regard to each item, you will be answering the general question: “HOW IMPORTANT IS IT TO YOU...”:

1. Have challenging work to do-work from which you can get a personal sense of accomplishment?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me	2. very important	3. of moderate important	4. of little important	5. Of very little or no important
-------------------------------------	----------------------	--------------------------------	---------------------------	---

2. Live in an area desirable to you and your family?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me	2. very important	3. of moderate important	4. of little important	5. Of very little or no important
-------------------------------------	----------------------	--------------------------------	---------------------------	---

3. Have an opportunity for high earnings

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me	2. very important	3. of moderate important	4. of little important	5. Of very little or no important
-------------------------------------	----------------------	--------------------------------	---------------------------	---

4. Work with people who cooperate well with one another?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me	2. very important	3. of moderate important	4. of little important	5. Of very little or no important
-------------------------------------	----------------------	--------------------------------	---------------------------	---

5. Have training opportunities ( to improve your skills or t learn new skills)?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me      2. very important      3. of moderate important      4. of little important      5. Of very little or no important

6. Have good fringe benefits?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me      2. very important      3. of moderate important      4. of little important      5. Of very little or no important

7. Get the recognition you deserve when you do a good job?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me      2. very important      3. of moderate important      4. of little important      5. Of very little or no important

8. Have good physical working conditions (good ventilation and lighting, adequate work space, etc.)?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me      2. very important      3. of moderate important      4. of little important      5. Of very little or no important

9. Have considerable freedom to adopt your own approach to the job?

☐ ☐ ☐ ☐ ☐

1. of utmost importance to me      2. very important      3. of moderate important      4. of little important      5. Of very little or no important

10. Have the security that you will be able to work for your company as long as you want to ?

- |                               |                       |                          |                        |                                   |
|-------------------------------|-----------------------|--------------------------|------------------------|-----------------------------------|
| <input type="radio"/>         | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>  | <input type="radio"/>             |
| 1. of utmost importance to me | 2. very important     | 3. of moderate important | 4. of little important | 5. Of very little or no important |

11. Have an opportunity for advancement to higher level jobs?

- |                               |                       |                          |                        |                                   |
|-------------------------------|-----------------------|--------------------------|------------------------|-----------------------------------|
| <input type="radio"/>         | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>  | <input type="radio"/>             |
| 1. of utmost importance to me | 2. very important     | 3. of moderate important | 4. of little important | 5. Of very little or no important |

12. Have a good working relationship with your manager?

- |                               |                       |                          |                        |                                   |
|-------------------------------|-----------------------|--------------------------|------------------------|-----------------------------------|
| <input type="radio"/>         | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>  | <input type="radio"/>             |
| 1. of utmost importance to me | 2. very important     | 3. of moderate important | 4. of little important | 5. Of very little or no important |

13. Fully use your skills and abilities on the job?

- |                               |                       |                          |                        |                                   |
|-------------------------------|-----------------------|--------------------------|------------------------|-----------------------------------|
| <input type="radio"/>         | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>  | <input type="radio"/>             |
| 1. of utmost importance to me | 2. very important     | 3. of moderate important | 4. of little important | 5. Of very little or no important |

14. Have a job which leaves you sufficient time for your personal or family life?

- |                               |                       |                          |                        |                                   |
|-------------------------------|-----------------------|--------------------------|------------------------|-----------------------------------|
| <input type="radio"/>         | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>  | <input type="radio"/>             |
| 1. of utmost importance to me | 2. very important     | 3. of moderate important | 4. of little important | 5. Of very little or no important |



Please indicate any general comments you have about this survey in the space below:

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Please see the first page for instructions how to return the questionnaire.

Thank you very much for your help.

## Appendix E: Pilot Study

### E.1 Study Sample Information

The pilot survey had 43 respondents, drawn from 4 companies with group membership as summarized in Table E1.

Table E1.

*Membership in Respondent Groups in Pilot Study*

Subgroup	Number Respondents	of % of Sample
Saudi Respondents from Purely Saudi Firms	13	31
Saudi Respondents from IJV	13	31
Westerners from IJV	15	34
Other Expatriates from IJV	2	4

Through the pilot survey some key issues pertaining to various aspects of the research process were discovered. These learning points were invaluable for correcting the errors in executing the actual study accurately.

### E.2 Questionnaire Administration

Several issues came to light in the administration of the pilot questionnaire.

First, some of the respondents said that some of the demographic items on the questionnaire were vague and difficult to understand. Based on this feedback these questions were revised for clarity. Some respondents also commented that the format of the questionnaire was confusing, particularly noting having to go from the left side of the page, where the questions were stated, to the right side of the page, where the rating scales were placed. Because of this, the questionnaire was revised into its current format.

Second, the pilot survey revealed that the time estimated to complete the questionnaire was inaccurate. As a result, the estimate of 10 minutes mentioned in the cover letter was increased to 15 minutes.

Third, the pilot survey served as a good indicator of the expected response rate in the actual study. Out of the 100 questionnaires distributed, 43 were completed and returned. Therefore, assuming that the return rate in the pilot study was representative, it was estimated that a minimum of 850 questionnaires should be distributed in the main study to obtain the sample size needed to obtain valid results.

Finally, the time needed to obtain the replies from the respondents was longer than expected. This led to considering a few steps to streamline the data collection routines for the main study. As a result, more frequent e-mail reminders were sent, and every three weeks the HR coordinator who was assisting the researcher in each company included in the study was either telephoned or visited.

### **E.3 Statistical Analyses and Hypothesis Testing**

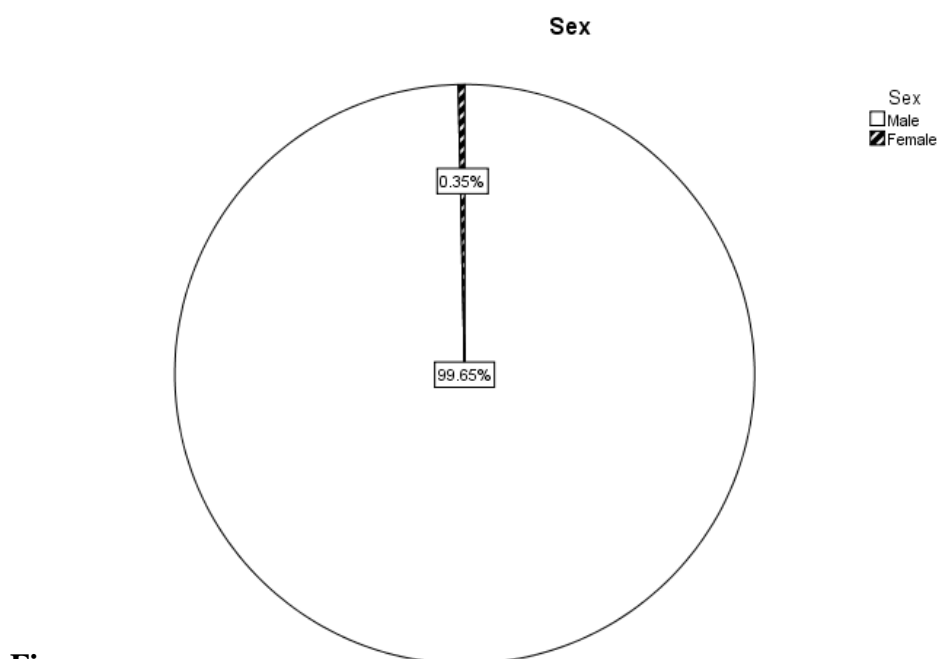
As a means of gaining experience with the analysis procedures with the SPSS software, the data gathered from the pilot survey was subjected to various analyses

such as univariate distribution, reliability computations, Cronbach's alpha, *t*-tests, Pearson correlations and *p*-values for the sake of hypothesis testing. Given the small sample size of 43 respondents in the pilot study, the analysis results were not reliable. However, it yielded valuable training on the use of various statistical analysis techniques through SPSS software.

Based on the data analysis, hypothesis testing was also conducted. Importantly, it was found that the questionnaire had not gathered data needed to test Hypothesis 5 in its original form. Hypothesis 5 had originally said, "*Saudi managers who interact with Western managers within IJVs will develop occupational commitment at a faster rate than their colleagues working in purely Saudi companies.*" This hypothesis could not be tested with the pilot study data because information to enable study of the rate of development of professional development was not available. To measure the rate of development would have required measuring the degree of professional commitment at two different times. Thus Hypothesis 5 was revised to make it testable with the data gathered in the main study (see section 5.1).

## Appendix F: Demographic Information for Commitment

### F.1: Demographic



#### Figures

Figure F1. Pie chart showing percentage breakdown of sex.

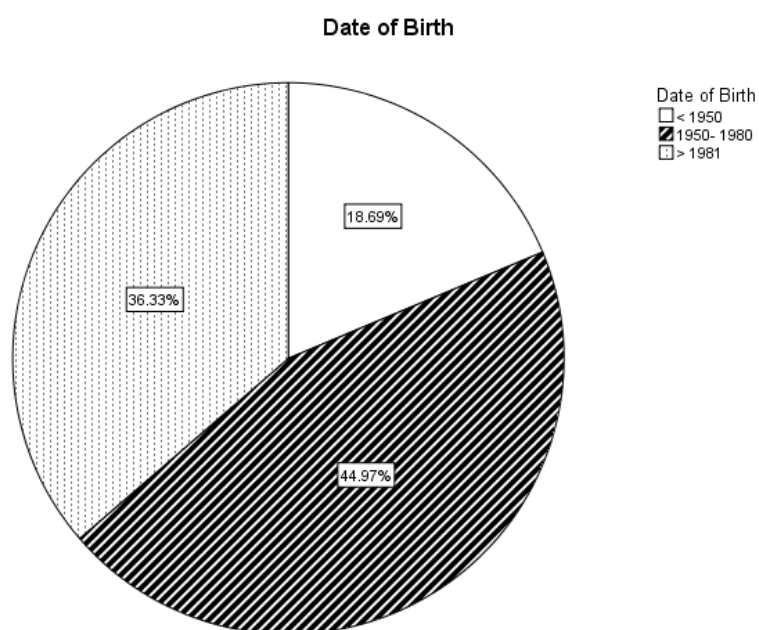
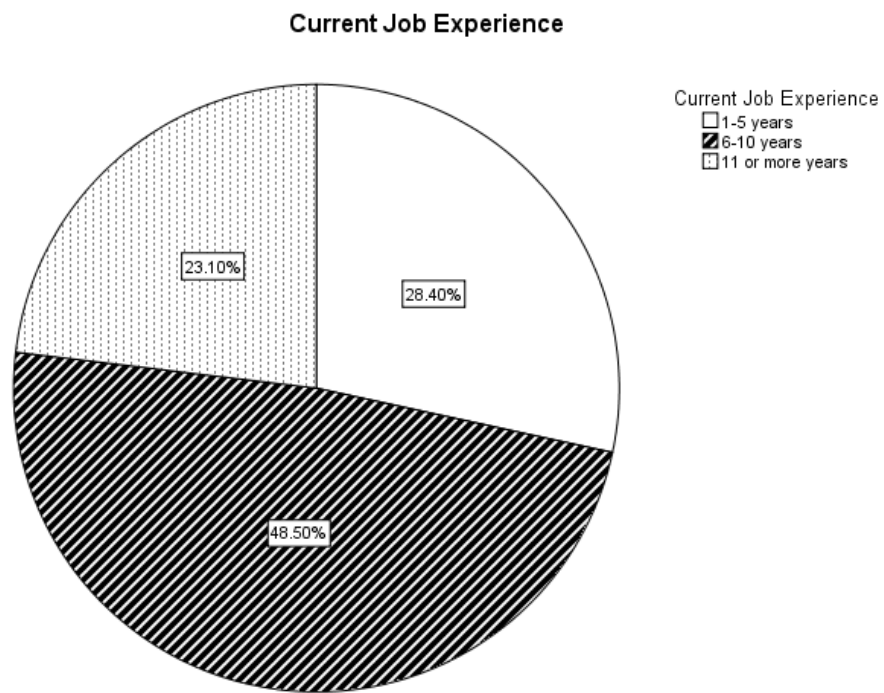
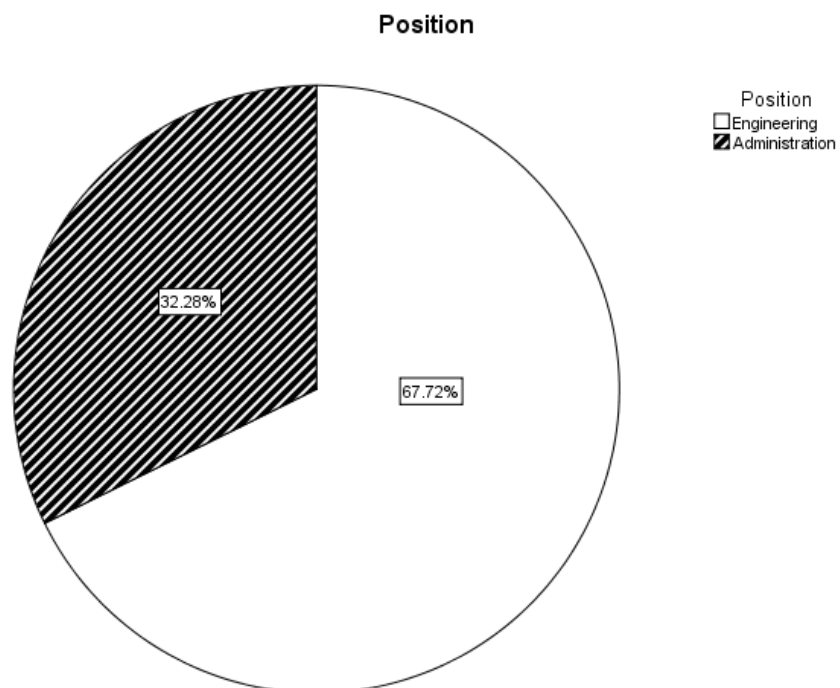


Figure F2. Pie chart showing percentage breakdown of date of birth.



*Figure F3.* Pie chart showing percentage breakdown of current job experience.



*Figure F4.* Pie chart showing percentage breakdown of position.

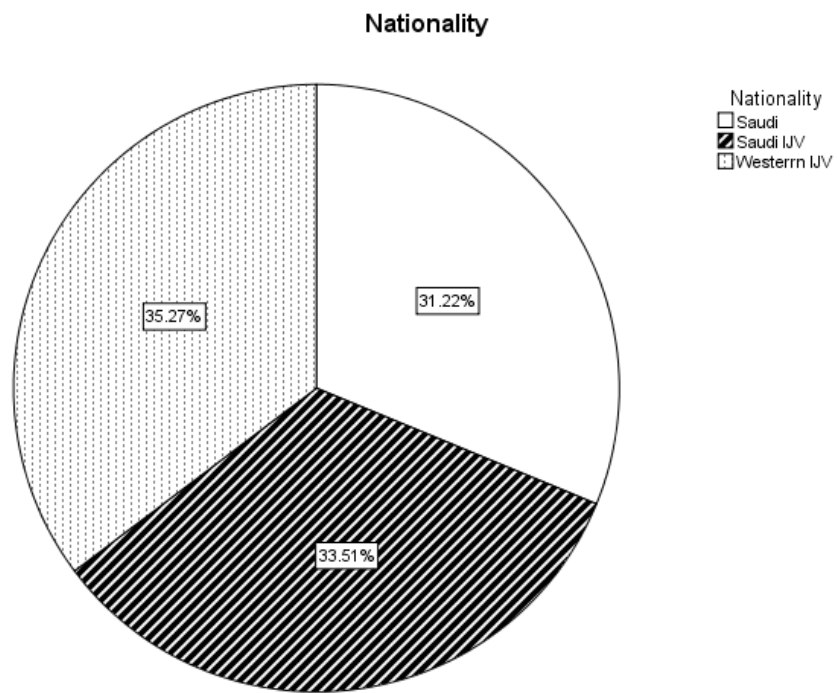


Figure F5. Pie chart showing percentage breakdown of nationality.

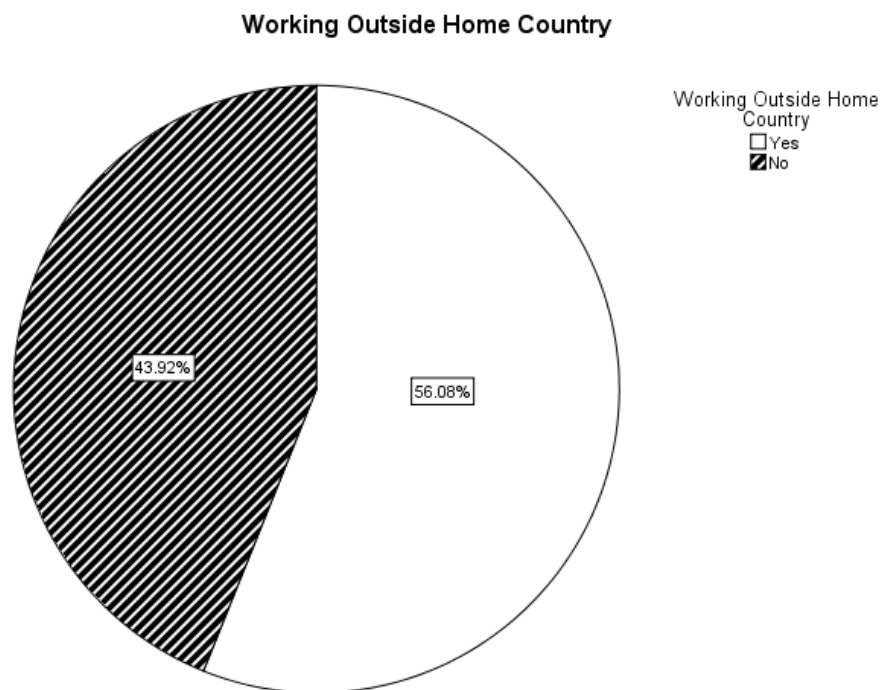
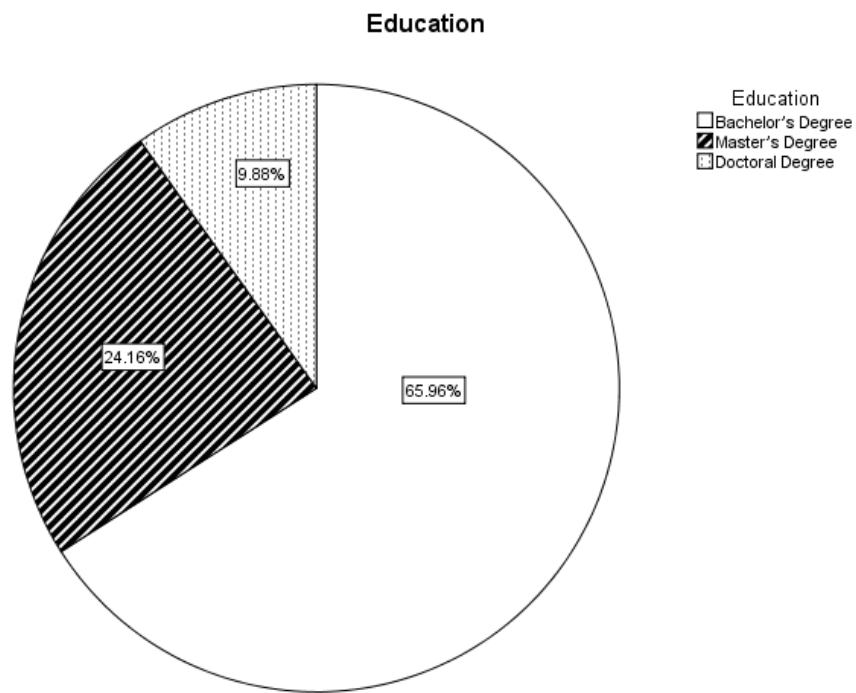
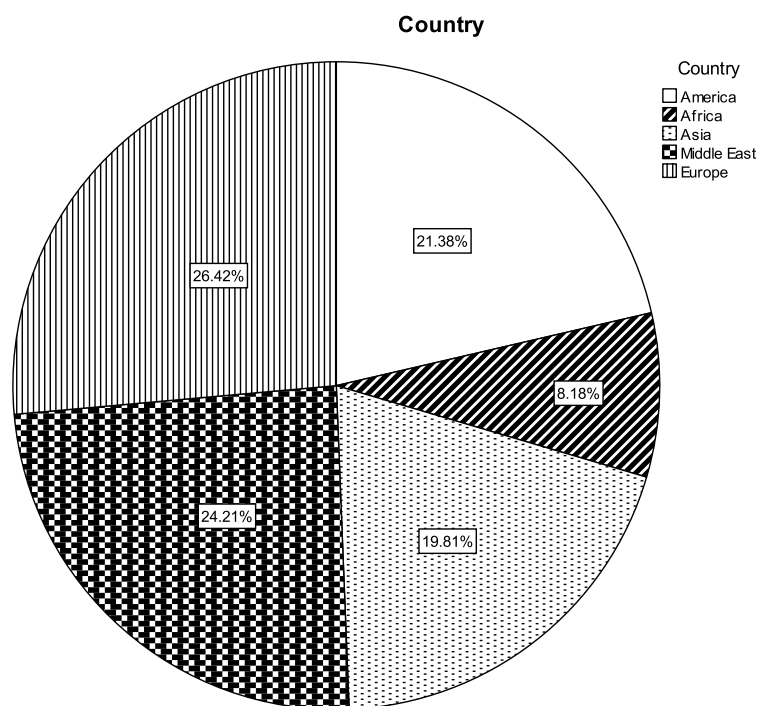


Figure F6. Pie chart showing percentage breakdown of working outside home country.

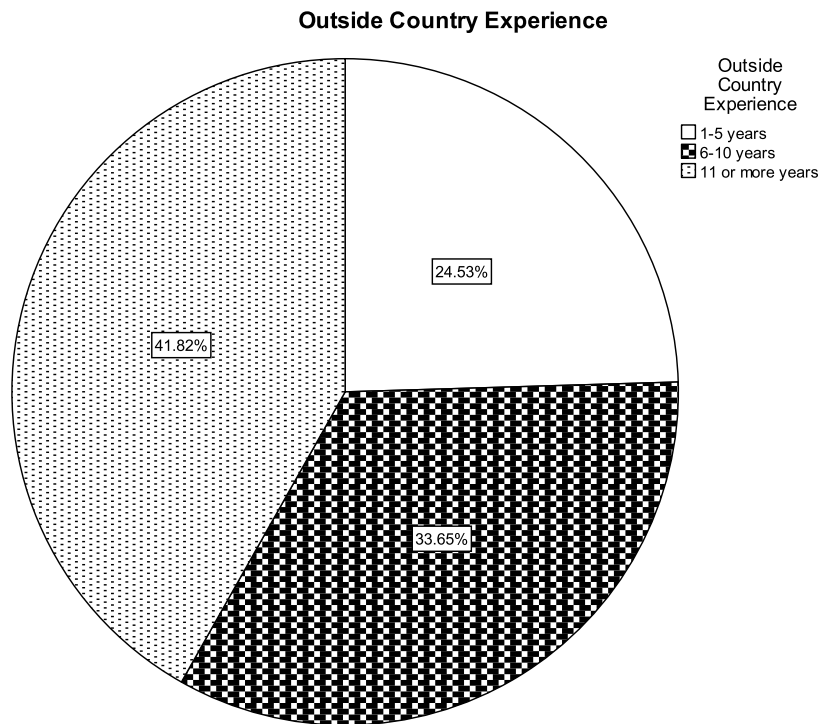


*Figure F7.* Pie chart showing percentage breakdown of education.



*Figure F8.* Pie chart showing percentage breakdown of continent where work experience took place.





*Figure F9.* Pie chart showing percentage breakdown of outside country experience.

## F.2: Demographics: Age

This section will present the results of the post-hoc analyses conducted for the ANOVAs on age. First, the post-hoc analyses conducted for NOC will be focused upon. In these analyses, significant differences were found between those born before 1950 and those born between 1950 and 1980, as well as between those born between 1950 and 1980 and those born after 1980. Specifically, individuals born between 1950 and 1980 had significantly lower scores on NOC as compared with both those born before 1950 as well as those born after 1980. The following table F1 presents a summary of these post-hoc analyses.

Table F1

*Commitment: Date of Birth: Post-Hoc Analyses: NOC*

Type of	<i>Group 1</i>	<i>Group 2</i>	<i>Mean</i>	<i>p</i>
organisational			<i>Difference</i>	
commitment			<i>(Group 1-</i>	
			<i>Group 2)</i>	
NOC	<1950	1950-1980	0.62***	<.001
	<1950	>1980	0.05	1.000
	1950-1980	>1980	-0.57***	<.000

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

Next, AOC will be focused upon. In this analysis, significant differences were found between those born before 1950 and those born between 1950 and 1980, as well as between those born between 1950 and 1980 and those born after 1980. Specifically, individuals born between 1950 and 1980 were found to have significantly lower scores on AOC as compared with both those born before 1950, as well as those born after 1980. The following table F2 presents a summary of these post-hoc analyses.

Table F2.

*Commitment: Date of Birth: Post-Hoc Analyses: AOC*

Type of organisational	<i>Group 1</i>	<i>Group 2</i>	<i>Mean</i>	<i>P</i>
commitment			<i>Difference</i>	
			<i>(Group 1-</i>	
			<i>Group 2)</i>	
AOC	<1950	1950-1980	0.76***	<.000
	<1950	>1980	0.33	.118
	1950-1980	>1980	-0.43**	.002

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

The next set of analyses will focus upon COC. In these post-hoc analyses, significant differences were found between those born before 1950 and those born between 1950 and 1980, as well as between those born before 1950 and those born after 1980.

Specifically, individuals born before 1950 were found to have significantly higher scores on COC as compared with both individuals born between 1950 and 1980, and those born after 1980.

Table F3.

*Commitment: Date of Birth: Post-Hoc Analyses: COC*

Type of organisational commitment	<i>Group 1</i>	<i>Group 2</i>	<i>Mean Difference (Group 1-Group 2)</i>	<i>p</i>
COC	<1950	1950-1980	0.75***	<.001
	<1950	>1980	0.63**	.001
	1950-1980	>1980	-0.12	1.00

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

The final set of post-hoc analyses presented in this section focus upon PC. These analyses found all three comparisons to be statistically significant. First, individuals born before 1950 were found to have significantly lower scores on PC as compared with those born between 1950 and 1980. Next, individuals born before 1950 were found to have significantly lower scores as compared with those born after 1980. Finally, respondents born 1950-1980 had significantly lower scores as compared with

those born after 1980. In essence, this means that scores on PC significantly decrease on the basis of age.

Table F4.

*Commitment: Date of Birth: Post-Hoc Analyses: PC*

Type of organisational commitment	<i>Group 1</i>	<i>Group 2</i>	<i>Mean Difference (Group 1- Group 2)</i>	<i>p</i>
PC	<1950	1950-1980	-0.24*	.014
	<1950	>1980	-0.41***	<.001
	1950-1980	>1980	-0.17*	.049

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

## Appendix G: Demographic Information for Culture

### Descriptive Statistics: Culture

The following set of tables consists of frequency tables focusing upon measures of culture. The first table, presented below, summarizes responses to whether individuals feel that it is important to have challenging work to do from which they can get a personal sense of accomplishment. The majority of respondents indicated that this item had little to little or no importance, while slightly above 20% indicated that it was of utmost importance.

Table G1-1. *Have challenging work to do-work from which you can get a personal sense of accomplishment?*

<i>Response</i>	<i>N</i>	<i>Percent</i>
Utmost Importance	104	22.3%
Very Important	14	3.0%
Moderate Importance	38	8.2%
Little Importance	126	27.0%
Little/No Importance	184	39.5%

The second question focused upon the importance relating to living in an area desirable to themselves and their family. Over 70% of respondents indicated that this item had little to little/no importance to themselves, while less than 2% of individuals stated that this feature was of utmost importance.

Table G1-2. *Live in an area desirable to you and your family?*

<b><i>Response</i></b>	<b><i>N</i></b>	<b><i>Percent</i></b>
Utmost Importance	8	1.7%
Very Important	73	15.7%
Moderate Importance	42	9.0%
Little Importance	169	36.3%
Little/No Importance	174	37.3%

Following this, respondents were asked the importance relating to having an opportunity for high earnings. Close to 55% of respondents stated that this had little to little or no importance, with close to 25% of individuals stating that this had moderate importance.

Table G1-3. *Have an opportunity for high earnings*

<b><i>Response</i></b>	<b><i>N</i></b>	<b><i>Percent</i></b>
Utmost Importance	26	5.6%
Very Important	86	18.5%
Moderate Importance	110	23.6%
Little Importance	117	25.1%
Little/No Importance	127	27.3%

The extent to which respondents feel that working with people who cooperate well with one another is important was also included in this set of questions. Over 50% of respondents indicated that this item had little to little or no importance, while close to 20% of respondents indicated that this item had moderate importance. Nearly 25% of individuals stated that this item was of utmost importance.

Table G1-4. *Work with people who cooperate well with one another?*

<b><i>Response</i></b>	<b><i>N</i></b>	<b><i>Percent</i></b>
Utmost Importance	110	23.6%
Very Important	25	5.4%
Moderate Importance	92	19.7%
Little Importance	115	24.7%
Little/No Importance	124	26.6%

The following item asked respondents the importance of having training opportunities to improve their skills or to learn new skills. Again, the majority of the sample stated that this item had little to little or no importance. In addition, nearly 1/3 of the sample stated that this item had moderate importance.



Table G1-5. *Have training opportunities (to improve your skills or to learn new skills)?*

<i><b>Response</b></i>	<i><b>N</b></i>	<i><b>Percent</b></i>
Utmost Importance	24	5.2%
Very Important	50	10.7%
Moderate Importance	146	31.3%
Little Importance	71	15.2%
Little/No Importance	175	37.6%

The following item focused on the importance of having good fringe benefits. A slight majority of the sample stated that this item had little or little to no importance, while slightly over 25% of respondents stated that this item was of the utmost importance.

Table G1-6. *Have good fringe benefits?*

<i><b>Response</b></i>	<i><b>N</b></i>	<i><b>Percent</b></i>
Utmost Importance	118	25.3%
Very Important	29	6.2%
Moderate Importance	75	16.1%
Little Importance	96	20.6%
Little/No Importance	148	31.8%

An additional question asked respondents the importance of receiving the recognition they deserve when doing a good job. Slightly under 50% of respondents stated that this item had little to little or no importance, while close to 20% of individuals stated that this had moderate importance. Nearly 15% of respondents felt that this item was of the utmost importance.

Table G1-7. *Get the recognition you deserve when you do a good job?*

<b><i>Response</i></b>	<b><i>N</i></b>	<b><i>Percent</i></b>
Utmost Importance	69	14.8%
Very Important	82	17.6%
Moderate Importance	89	19.1%
Little Importance	96	20.6%
Little/No Importance	130	27.9%

Next, the importance of having good physical working conditions, including good ventilation and lighting and adequate workspace, was asked. Nearly 50% of respondents indicated that this item was of little to little or no importance, with close to 25% of individuals stating that this item was of moderate importance.

Table G1-8. *Have good physical working conditions (good ventilation and lighting, adequate work space, etc.)?*

<i><b>Response</b></i>	<i><b>N</b></i>	<i><b>Percent</b></i>
Utmost Importance	46	9.9%
Very Important	79	17.0%
Moderate Importance	109	23.4%
Little Importance	84	18.0%
Little/No Importance	148	31.8%

The following table focuses on responses relating to the importance of having considerable freedom to adopt their own approach to the job. Over 50% of individuals stated that this item had little to little or no importance, while approximately 18% of individuals felt that this item was of the utmost importance.

Table G1-9. *Have considerable freedom to adopt your own approach to the job?*

<i><b>Response</b></i>	<i><b>N</b></i>	<i><b>Percent</b></i>
Utmost Importance	83	17.8%
Very Important	59	12.7%
Moderate Importance	63	13.5%
Little Importance	112	24.0%
Little/No Importance	149	32.0%

Next, the table presented below focuses upon the importance of having security that the respondent will be able to work for the company as long as they want. Over 50% of individuals stated that this was of little or little to no importance, while slightly above 20% indicated that it was of the utmost importance.

Table G1-10. *Have the security that you will be able to work for your company as long as you want to?*

<i><b>Response</b></i>	<i><b>N</b></i>	<i><b>Percent</b></i>
Utmost Importance	94	20.2%
Very Important	41	8.8%
Moderate Importance	68	14.6%
Little Importance	144	30.9%
Little/No Importance	119	25.5%

Respondents were then asked the importance of having an opportunity for advancement to higher level jobs. Nearly 60% of individuals stated that this had little to little or no importance, with over 20% of individuals stating that this item had moderate importance.

Table G1-11. *Have an opportunity for advancement to higher level jobs?*

<b><i>Response</i></b>	<b><i>N</i></b>	<b><i>Percent</i></b>
Utmost Importance	30	6.4%
Very Important	56	12.0%
Moderate Importance	105	22.5%
Little Importance	107	23.0%
Little/No Importance	168	36.1%

The following question focused upon the importance of having a good working relationship with the respondents' manager. Approximately 45% of individuals felt this had little to little or no importance, with slightly above 22% of individuals stating this was of the utmost importance.

Table G1-12. *Have a good working relationship with your manager?*

<b><i>Response</i></b>	<b><i>N</i></b>	<b><i>Percent</i></b>
Utmost Importance	104	22.3%
Very Important	57	12.2%
Moderate Importance	94	20.2%
Little Importance	67	14.4%
Little/No Importance	144	30.9%

Next, the following question focused upon the importance of being able to fully use their skills and abilities on the job. Approximately 55% of individuals felt that this had little to little or no importance, with close to 30% of respondents indicating that this item is very important.

Table G1-13. *Fully use your skills and abilities on the job?*

<i><b>Response</b></i>	<i><b>N</b></i>	<i><b>Percent</b></i>
Utmost Importance	33	7.1%
Very Important	128	27.5%
Moderate Importance	49	10.5%
Little Importance	91	19.5%
Little/No Importance	165	35.4%

The final question focusing upon culture consisted of the importance of having a job which leaves the respondent sufficient time for their personal or family life. Approximately 55% of respondents stated that this item had little to little or no importance, with close to 22% of individuals indicating that this item is very important.

Table G1-14. *Have a job which leaves you sufficient time for your personal or family life?*

<i>Response</i>	<i>N</i>	<i>Percent</i>
Utmost Importance	57	12.2%
Very Important	101	21.7%
Moderate Importance	49	10.5%
Little Importance	115	24.7%
Little/No Importance	144	30.9%

#### **Crosstabulations: Culture**

A series of cross tabulations were conducted focusing upon respondent nationality/workplace and a series of demographic measures included in this study. First, the following table summarizes respondents with regard to nationality/workplace. In total, nearly 40% of the sample was Saudis working within Saudi firms, while one third of respondents were Saudis working in IJVs. Additionally, close to 30% of respondents were Westerners working within IJVs.

Table G1-15. *Nationality/Workplace: Frequencies (N = 466)*

<i>Nationality/Workplace</i>	<i>Frequency</i>	<i>Percent</i>
Saudi in Saudi Firm	181	38.8%
Saudi in IJV	155	33.3%
Western in IJV	130	27.9%

Next, the following table presents a breakdown of nationality/workplace on the basis of gender. As indicated in the following table, no female respondents were included. Therefore, the breakdown of male respondents with regard to nationality/workplace is the same as the breakdown in respondents with respect to the entire sample.

Table G1-16. *Nationality/Workplace and Gender: Cross Tabulations (N = 466)*

<i><b>Gender</b></i>	<i><b>Male</b></i>	<i><b>Female</b></i>
Saudi in Saudi Firm	181	0
Saudi in IJV	155	0
Western in IJV	130	0

The table presented below focuses upon the association between nationality/workplace and date of birth. Saudis working in Saudi firms compose the largest proportion of respondents with regard to those born before 1950 as well as those born between 1950 and 1981. Among respondents who were born after 1981, Saudis working in IJVs compose the largest proportion of respondents.



Table G1-17. *Nationality/Workplace and Date of Birth: Cross Tabulations (N = 466)*

<i>Date of Birth</i>	<i>Before 1950</i>	<i>1950-1981</i>	<i>Born after 1981</i>
	<i>N</i>	<i>N</i>	<i>N</i>
Saudi in Saudi Firm	31	90	60
Saudi in IJV	13	72	70
Western in IJV	20	60	50

Next, cross tabulations were conducted focusing upon the association between nationality/workplace and the number of years of current job experience. Among those who had between one and five years of work experience, the vast majority of the sample were either Saudis working in Saudi firms or Saudis working in IJVs, with a relatively small proportion of respondents consisting of Westerners working in IJVs. Next, among those who had between six and 10 years of job experience, the sample was fairly evenly split between all three categories of nationality/workplace. Finally, with regard to individuals who had 11 years or more of work experience, respondents were most commonly Saudis working in Saudi firms, followed by Westerners, and followed finally by Saudis working in IJVs.

Table G1-18. *Nationality/Workplace and Current Job Experience: Cross Tabulations (N = 466)*

<i>Current Job Experience</i>	<i>1-5 Years</i>	<i>6-10 Years</i>	<i>11+ Years</i>
	<i>N</i>	<i>N</i>	<i>N</i>
Saudi in Saudi Firm	56	50	75
Saudi in IJV	59	46	50
Western in IJV	21	49	60

A cross tabulation was then conducted focusing upon work area. Among those working in engineering, respondents were most commonly Saudis working in IJVs, followed fairly equally by Saudis working in Saudi firms and Westerners working in IJVs. With regard to respondents working in administration, Saudis in Saudi firms constituted the majority of this group, with fairly equal percentages of respondents consisting of Saudis in IJVs or Westerners in IJVs.

Table G1-19. *Nationality/Workplace and Work Area: Cross Tabulations (N = 466)*

<i>Work Area</i>	<i>Engineering</i>	<i>Administration</i>
Saudi in Saudi Firm	109	72
Saudi in IJV	130	25
Western in IJV	106	24

The association between nationality/workplace and whether respondents had experience working outside their home country was focused upon next. Among respondents who did have experience working outside their home country, the majority of the sample consisted of Westerners working in IJVs, followed by Saudis working in IJVs, with a small proportion of respondents consisting of Saudis working in Saudi firms. Among those who did not have experience working outside their home country, the majority of the sample consisted of Saudis working in Saudi firms, followed by Saudis working in IJVs, followed finally by Westerners working in IJVs.

Table G1-20. *Nationality/Workplace and Working outside Home Country: Cross Tabulations (N = 466)*

<b><i>Working Outside Home Country</i></b>	<b><i>Yes</i></b>	<b><i>No</i></b>
Saudi in Saudi Firm	15	166
Saudi in IJV	53	102
Western in IJV	105	25

The following table focuses upon the association between nationality/workplace and level of education. As indicated, the majority of respondents had a bachelor's degree as their highest level of education. Among this group of respondents, Saudis working in Saudi firms were most common, followed by Saudis working in IJVs, and followed finally by Westerners working in IJVs. Among those with a Masters degree, the most common group consisted of Saudis working in IJVs, followed by Saudis working in Saudi firms, and followed finally by Westerners

working in IJVs. Only five respondents in total were found to have a doctoral degree, with this group split between Saudis working in IJVs and Westerners working in IJVs.

Table G1-21. *Nationality/Workplace and Education: Cross Tabulations (N = 466)*

<i>Education</i>	<i>Bachelor's Degree</i>	<i>Master's Degree</i>	<i>Doctoral Degree</i>
	<i>N</i>	<i>N</i>	<i>N</i>
Saudi in Saudi Firm	149	32	0
Saudi in IJV	113	39	3
Western in IJV	101	27	2

Next, the following table focuses upon the association between nationality/workplace and the number of years of outside country experience. Among respondents having between one and five years of outside work experience, the most common group represented consisted of Saudis working in IJVs, followed by Westerners working in IJVs, and followed finally by Saudis working in Saudi firms. With regard to respondents who had between six and 10 years of outside country experience, respondents most commonly were Westerners working in IJVs, followed by Saudis working in IJVs, followed finally by Saudis working in Saudi firms. Finally, among those who had 11 or more years of work experience outside their home country, this group is most commonly represented by Westerners working in IJVs, followed by Saudis working in IJVs.

Table G1-22. *Nationality/Workplace and Outside Country Experience: Cross Tabulations (N = 173)*

<i>Outside Country Experience</i>	<i>1-5</i>	<i>6-10</i>	<i>11+</i>
	<i>N</i>	<i>N</i>	<i>N</i>
Saudi in Saudi Firm	12	3	0
Saudi in IJV	40	10	3
Western in IJV	20	25	6

The final cross tabulation, summarized below, focuses upon country. Saudis working in IJVs were most highly represented in America and Europe, while Westerners working in IJVs were most highly represented in Africa, Asia, as well as the Middle East. Saudis working in Saudi firms had generally spent time working in America or Europe.

Table G1-23. *Nationality/Workplace and Country: Cross Tabulations (N = 173)*

<i>Country</i>	<i>America</i>	<i>Africa</i>	<i>Asia</i>	<i>Middle East</i>	<i>Europe</i>
	<i>N</i>	<i>N</i>	<i>N</i>	<i>N</i>	<i>N</i>
Saudi in Saudi Firm	7	0	2	0	6
Saudi in IJV	30	3	5	2	13
Western in IJV	9	20	28	36	12

### Tests on Culture: ANOVA

Additionally, an ANOVA was conducted focusing upon whether significant differences in nationality/workplace were present on the basis of this cultural factor. This analysis was found to achieve statistical significance,  $F(2, 463) = 2962.057$ ,  $p < .001$ . This indicates that significant differences in culture are present on the basis of nationality/workplace.

The following table presents the sample size, mean, and standard deviation of culture on the basis of nationality/workplace. As shown in the table, individualism was found to be highest with regard to Westerners working in IJVs, followed by Saudis working in IJVs, and followed finally by Saudis working within Saudi firms.

Table G1-24. *Culture: Descriptive Statistics by Nationality/Workplace*

<i>Response</i>	<i>N</i>	<i>Mean</i>	<i>Std. Dev.</i>
Saudi in Saudi Firm	181	1.824	.213
Saudi in IJV	155	2.582	.171
Western in IJV	130	3.478	.164

Additionally, the following table presents the results of an LSD post-hoc analysis conducted in order to compare each of the three groups of respondents against each other. As indicated in the table, all pairwise comparisons were found to achieve statistical significance. This indicates that Westerners in IJVs had significantly higher individualism as compared with the two remaining Saudi groups, while Saudis working in IJVs have significantly higher individualism as compared with Saudis working in Saudi firms.

Table G1-25. *Culture: ANOVA by Nationality/Workplace*

<i>Response</i>	<i>Mean Diff</i>	<i>SE</i>	<i>p</i>
Saudi in Saudi Firm vs Saudi in IJV	-.758	.020	<.001
vs Western in IJV	-1.654	.022	<.001
Saudi in IJV vs Saudi in Saudi firm	.758	.020	<.001
vs Western in IJV	-.896	.022	<.001
Western in IJV vs Saudi in Saudi firm	1.654	.022	<.001
vs Saudi in IJV	.896	.022	<.001

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